

JPRS 77967

30 April 1981

Latin America Report

No. 2296

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LATIN AMERICA REPORT

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FORMER MINISTER MONTES RATES BEAGLE NEGOTIATIONS TOP PRIORITY

Buenos Aires LA PRENSA in Spanish 2 Apr 81 p 7

[Text] The former minister of foreign relations, Vice Adm Oscar Montes, the predecessor of Brig Carlos Washington Pastor in the position, declared, in statements that he made at the Ezeiza airport, that "a renegotiation is in order" regarding the matter of the papal mediation in the southern border dispute between Argentina and Chile.

When asked his opinion about this second phase of the process and of the new foreign minister, Oscar Camilion, he replied: "In order to be able to evaluate an action, one must wait until the work is begun."

He said that Camilion "must have received from President Viola the pertinent guidelines for the administration of Argentine foreign policy, so let us wait a few days. Let us see how a process is proceeding."

He noted that the new minister "has serious problems in the Foreign Ministry," adding: "Let us hope that he will deal with them with the equanimity and intelligence that are typical of Dr Camilion."

With respect to the Argentine geopolitical situation, he stated: "It is highly complicated and, despite the effort that we have made, especially in the area associated with the country's geopolitics, we have not yet resolved it."

He remarked: "These are issues to be resolved over the long term. We have provided a course of action, at least I believe that we have provided that course of action; and let us hope that, when it is pursued, the goals that are favorable to Argentina will be met."

Concerning the matter of the southern border dispute, he commented: "The Beagle problem is a complex problem;" adding: "At the present time, the Pope has in his possession the Argentine response, the terms of which are unknown to me, as are the terms in which the Pope proposed the solution to the conflict."

He noted: "However, I believe that a renegotiation is in order, at least that is what the news media have been indicating."

He explained that he did not have "official information in this regard, and therefore I cannot express a really valid judgment."

In response to a question about how he would decide on the priorities in Argentine foreign policy, he said: "In the foreign service, there are no priorities. All the issues are number one priority."

Nevertheless, he commented: "If I had to state the priorities, I would say that, to me, the Beagle comprises the first priority," which does not mean "that it is the only issue of top priority."

He claimed that Argentina has other priority issues: "It has Corpus, the Beagle, the Malvinas problem, the problem of whether or not to internationalize Antarctica." He concluded by saying: "As a result, there are, within the number one priority, several issues that would have to be included."

2909

CSO: 3010

GENERAL JORGE LEAL SPEAKS OUT ON BEAGLE ISSUE

Santiago EL MERCURIO in Spanish 5 Apr 81 Sec A p 14

[Interview with Gen (ret) Jorge Leal, by EL MERCURIO special correspondent Jose Manuel Alvarez, in Buenos Aires; date not given]

[Text] Buenos Aires--Gen (ret) Jorge Leal, founder of the first Argentine Antarctic base, voiced to EL MERCURIO his hope that the peoples and governments of Chile and Argentina would unite in the future, "eliminating the problems that could keep us apart, and curbing the maneuvers with which the affected interests may react."

The high-ranking official made the statements in an exclusive interview granted to EL MERCURIO in his private offices, located on a downtown street in this capital.

General (ret) Leal agreed to talk with this special correspondent because, as he remarked, "the more we Chileans and Argentines hold dialog, the sooner we shall arrive at a mutual understanding and comprehension."

This personage is widely known in Argentina, because he was a pioneer in the exploration and investigation of the trans-Andean possession in the Antarctic; and also owing to his active campaign on behalf of the unity of the Spanish-American countries, especially with Chile. At the present time, he devotes himself to private matters and lecturing throughout the country on the economic and strategic projections of the frozen continent.

'Divide To Rule'

[Question] What is your position regarding the dispute in the southern region between Chile and Argentina?

[Answer] I was born in the northern part of the country; now as a native of Salta, an Argentine and a Spanish-American, I think that the conflict between Chile and Argentina would only cater to foreign interests which have "balkanized" (divided) us here in South America for over 150 years.

[Question] Do you think that the problem has been magnified by certain sectors, and why?

[Answer] It is possible that the problem has been magnified, and I think that, if this is so, it is for the purpose of continuing to delay the unity of the Spanish American peoples for a long period of time. "Divide to rule" is an old method

which has brought abundant results (and is still doing so, for those who inherited the slogan); although, understandably, its effects are detrimental to those who suffer from the division.

[Question] What do you think of Pope John Paul II's mediation in the dispute?

[Answer] I do not know exactly the solution that the Holy Father advises, but I do, indeed, think that one arrives at a conflict when there is no other honorable method of settlement; and what could be more honorable for two countries which call themselves Christian than to pay due attention to the appeals from the greatest moral authority in the world, namely, His Holiness. Furthermore, I believe that everything that represents a proper clarification of the advice from the Holy Father is good, feasible and necessary, as a means of arriving at a definitive solution.

[Question] What should the position of the two government be regarding the proposition for peace from Pope John Paul II?

[Answer] I think that we Argentines and Chileans (both peoples and governments) must be convinced that, on the day when all of us residents of the territories which were Spanish colonies feel that we are Spanish Americans, 100 percent of the problems that separate us artificially, as well as 90 percent of the issues bringing us into internal opposition, will have disappeared.

'Senseless Backwardness'

[Question] Do you think that there is a possibility of an armed conflict between Chile and Argentina? What would the consequences be for both nations?

[Answer] I do not think that there is a possibility of an armed conflict, because, in addition to what I have already said, it would lead us to destruction, and to a senseless backwardness.

[Question] With regard to the previous question, what should be the relationship between the two countries? Perhaps one of unity against other common enemies?

[Answer] In order to answer you, allow me to expand on a previous notion, without confining myself to discussing Chile and Argentina alone.

The unity of Spanish America was in the minds and hearts of the true leaders of emancipation: Bolívar, San Martín, O'Higgins and Artigas, among others. They were illustrious men who attested to that desire. However, we were "balkanized" (divided). If, as a result of our division, they are taking advantage of us, and we carry little or no weight in the international realm, the answer must be "to unite."

It goes without saying that such a decision must entail a willingness to reduce and/or eliminate any problems that could keep us apart, and a far greater desire to curb the maneuvers with which the affected interests may react.

It is not difficult to imagine the advantages of such unity, which should begin by being of an economic nature, in order to arrive at the political federation.

The European Economic Community is an example of how very important issues should be resolved, such as race, language, religion, history, century-old wars and others (which do not exactly pertain in the case of Spanish America), when the unity is decided upon for the sake of lofty ideals or concrete interests.

Over 200 million human beings in a political community constitute a highly important internal market. The raw materials that exist in our territories (which are every conceivable kind) would mean that this internal market and the related industries would be supplied in their entirety.

And a prosperous, well fed and self-sufficient community is strong, and can make itself heard in all the international forums; and it could escape from the two imperialisms.

Policy of the Imperialists

The policy of the imperialists toward the Latin American countries consists of keeping them divided and distrustful at any price, and destroying any policy for real, effective integration.

One of the means used to carry out this system is to induce them into playing the "great power." In this way, the foreign ministries of the Spanish American countries, all of which are weak, exploited nations, beset by the foreign debt that is growing larger year after year, with a chronic decline in prices of raw materials, and constantly blackmailed by the threat of "imperialist dumping" on the one hand, and by subversion on the other, act among themselves as if they were world powers, as if the "South American equilibrium," with punctilious touchiness, were threatened by the relative development of any of them, and as if it were no more nor less than the famous European equilibrium of the 19th and early 20th centuries.

[Question] What aspect do you think it would be pertinent to stress in the historic relations between the two countries, and the future of both nations?

[Answer] I think that the present situation is ideal for discussing unity between Argentines and Chileans, with the very words of San Martin and O'Higgins: "That the 3,000 kilometers of common borders which unite us supplement one another absolutely, and that the 3,000 prejudices that have divided us to date disappear."

2909

CSO: 3010

GRAIN HARVEST TO REACH 54.5 MILLION TONS; STORAGE ASSURED

Agriculture Minister Makes Statement

Rio de Janeiro O GLOBO in Portuguese 26 Mar 81 p 24

[Text] Brasilia (O GLOBO)--The national grain harvest this year will surely be more than 54.5 million tons, thus making imports of corn, rice or beans unnecessary, it was revealed yesterday by Minister of Agriculture Amaury Stabile, when he announced the fourth crop forecast for the Center-South and the first planting intentions of the North and Northeast.

According to the forecasts by the Production Financing Commission (CFP), this year the South and Center-West Regions will harvest between 21.2 and 21.9 million tons of corn, between 15.4 and 15.7 million tons of soybeans, between 7.2 and 7.5 million tons of rice and between 1.8 and 1.9 million tons of beans (1.27 million already harvested in the rainy season harvest and 1.1 million in the dry season harvest [as published]. In the North and Northeast, the planting intentions, helped by the rain which fell two weeks ago in the northern area, are 1.9 million tons of rice, 1.3 million tons of corn and 400,000 tons of beans. If the rains continue for another 90 days and that production were to be reached, the Northeast harvest would increase by more than 10 percent over that of last year.

Losses in the rice crop in the Center-West due to the cold spell which took place in January and February, will reach only 600,000 tons, according to the CFP. That loss will cause the national rice crop to be 3.2 percent smaller than that of last year.

Black Beans

Francisco Vilela, chairman of the CFP, also guaranteed that there will be no imports of black beans this year. Black bean production of the rainy season crop (510,000 tons) was identical to the entire production of last year (512,000 tons), and the dry season crop will still produce between 150,000 and 190,000 tons of that type of bean.

Despite the losses suffered in the Center-West, the chances of having to import rice are discounted, said Stabile, because the government has stocks of 1.6 million tons. In the case of corn, in addition to a record production, there are stocks of 1.2 million tons, but imports will be avoided because consumption by the hog-raising industry will decrease while that of poultry raising will increase less.

The new forecast by the CFP for soybeans is higher than the January estimate due to the increases in yields confirmed in all growing states in the southern part of the country. The minister of agriculture also revealed the forecast for cotton, whose production reached 464,000 tons in the Center-West and could reach 155,000 tons in the North-Northeast.

As far as Stabile is concerned, the reduction in the forecast from 56 million tons of grain made last year, is due only to weather problems, there being no doubt about a harvest of at least 54 million tons. However, he said, if the Northeast winter continues without problems, production could be greater than estimated, making up for the Center-South losses.

CIBRAZEM Guarantees Storage

Rio de Janeiro O GLOBO in Portuguese 30 Mar 81 p 13

[Text] Brasilia (O GLOBO)--This year's record grain harvest in the Center-South Region of the country (44.5 million tons in corn, soybeans and rice alone) "will encounter no storage problems despite what is being said," according to the president of the Brazilian Grain Storage Company (CIBRAZEM), Salli Szajnferber.

The static storage capacity for agricultural products in the storage facilities at the farm level, in silos and government storage depots, cooperatives and private facilities, said Szajnferber, is greater than the total volume of the harvest, which is not all collected at the same time. In the areas where there is a shortage of storage space, CIBRAZEM is already making plans for emergency mobile storage.

According to the president of CIBRAZEM, those emergency storage facilities are tanks and metal silos which can be carried by only one truck and assembled quickly. They have a total capacity throughout the country of 920,000 tons. Where surplus production cannot be completely stored, CIBRAZEM will provide weather proof tarpaulins for open-air storage.

Salli Szajnferber revealed that in order to avoid the accumulation of agricultural products in certain areas which have no storage capability, the executive group for the movement of crops (GREMOS) will be in operation this year with enough structure to enable it as soon as it receives information on a problem, to decide on the deployment of emergency units to the place, or promote the shipment of local production to another area.

Capacity

According to CIBRAZEM, the most recent figures indicate a static capacity for storage throughout the country on the order of 59.1 million tons; 36.1 million tons being controlled by private companies, 12.9 million tons by cooperatives and 10.1 million tons controlled by the federal and state governments.

The distribution of that storage capacity, however, indicates that there will be problems in the areas of the agricultural frontier because almost 60 percent (34.9 million) of the total of 59.1 million tons of capacity is located in the South Region and another 26 percent in the southeast region (15.8 million).

For that reason, the mobile storage facilities of CIBRAZEM were distributed mainly throughout an extensive area in the states of Goias, Mato Grosso, Mato Grosso do Sul and in Rondonia Territory.

The activities of GREMOS up to 1979 covered products destined for export exclusively to avoid losses. As of last year, however, with the increase in the national harvest and the expansion of the agricultural frontier, the inter-ministerial agency began to be active in the internal movement of crops.

This year GREMOS installed an operations center in departments of CIBRAZEM itself and it is attempting, with the help of computers, to coordinate the movement of harvest surpluses, receiving information on problems by telephone and telex, notifying the pertinent organizations so that they may take the necessary steps.

Moreover, CIBRAZEM is financing the transportation of farm production to the storage places at highly subsidized interest rates (three percent per year with no payments due for 6 months) to prevent the problems faced by the small and middle-level growers at the peak of the harvest, when prices of freights rise exaggeratedly.

The Integrated Centers for Agricultural Sales (CICOA) will also be operating this harvest in the cities of Campo Grande (MS), Goiana and Rio Verde (GO), allowing the sale of crops by the farmers directly to buyers from other states.

The growers receive all information on prices for products in the main urban centers of the country and decide on sales depending on the offers by various buyers in a sort of auction without intermediaries. Those centers will be installed in other cities in the future.

Losses

Estimated figures from the Ministry of Agriculture reveal that losses in agricultural products during storage are somewhere between 10 and 20 percent of the total stored.

The difficulty in making a real estimate of losses resides in the differences existing among the storage units. According to CIBRAZEM, in the largest storage facility in the country, in Ponta Grossa (PR), which has a storage capacity of 220,000 tons of grain, losses are insignificant, but the volume lost in the sheds and graineries of the farms or the cities of the interior are not known.

8908

CSO: 3001/154

SENATE PRESIDENT JARBAS PASSARINHO INTERVIEWED

Brasília CORREIO BRAZILIENSE in Portuguese 22 Mar 81 p 8

[Interview with Senate President Jarbas Passarinho by Josemar Dantas of CORREIO BRAZILIENSE; date and place not given]

[Text] Governor of Para, twice minister of state (education and labor), senator for 14 years, government leader in the Senate and now president of that house of Congress, Jarbas Passarinho today occupies a relevant position in the highest step in Brazilian public life. With that political dossier, he becomes part, with the greatest naturalness, of the picture of presidential succession, despite the fact that he has avoided assuming the traditional posture of a candidate or the discussion of that possibility. The blue fly has not bitten him and he remains deaf to the seductive political siren song. However, everything that he says is important because any possible statements by him affect both sides of the party picture: the side of the government and the side of the opposition.

In this exclusive interview with CORREIO BRAZILIENSE, Jarbas Passarinho exhaustively examines the hottest political and institutional subjects of the present stage of development of the democratization process. Refuting the opinion of Senator Tancredo Neves, president of the Popular Party (PP), he says that Joao Figueiredo is neither alone in the defense of his democratic opening proposal nor is he under any pressure. According to him, Figueiredo, because of his own beliefs is a man who opens roads and never "will submit to living in an ivory tower."

He rejects the accusation made by the opposition parties that the economic model is discriminatory and elitist. He asserts that the concentrating nature of the economic-financial policy is not the result of a model created by the military governments originating from the 1964 Revolution. As far as he is concerned, the concentration of income at the top of the social pyramid is a phenomenon inherent to the countries in the predevelopment stage and, in the case of Brazil, it goes back to the 50's. Since that time it has been present under governments of the most varied tendencies, from populist and popular to conservative.

As far as the possibility of creating a democratic system of a clearly national type in the country, Passarinho believes the hypothesis is unworkable and ridiculous. Agreeing with Maurice Duverger, he asserts that the democratic system is that in which those who are governed elect their leaders through free elections.

The president of the Federal Senate now speaks.

"The Idea of Democracy Resides in the Rotation of Power"

[Question] President Figueiredo is undertaking a delicate political operation to give the country a regime of democratic freedoms. Some time ago, in official circles, the need for implanting a system in the country, which although democratic, would be adapted to national peculiarities was advocated. Do you consider it practical that Brazil should tamper with world experience and the science of state itself, creating a political model which is typically suited to its national character? What would the structure of that model be?

[Answer] I always laughed at those prescriptions: a typically Brazilian model, a model of this, a model of that, each country invents its own. I believe that it does not exist. The general ideas are transferrable throughout the entire world. What there is, obviously, is that each country has its peculiarities and those peculiarities must be present at the moment a decision of a political nature or on the institutional model is made because the pure and simple transfer of a model is not proper. But to create a native model is somewhat ridiculous. For example, a democracy in the Brazilian style is like comparing turkey to fried manioc meal or something similar. In our case, the possibility of us having a political system with a democratic character should be along the line of what in my understanding is unbeatable as a definition by Maurice Duverger: "There is democracy where those who are governed freely elect their governors and where opposition parties can achieve power." Therefore, the idea of a democratic rotation of power is the idea of a free election in which those who are governed elect the government leaders of their choice. To a certain point Brazil conforms very well with that. For example, we had municipal elections in 76. The MDB [Brazilian Democratic Movement] captured, if I am not mistaken, 700 prefectures and, therefore arrived in power, and the Chambers of Councilmen of the main Brazilian cities were also won by the opposition in their great majority. It now happens that President Figueiredo is reestablishing direct elections for governors. Therefore, that aspect, which previously was only established at the municipal level, is now being attempted at the state level, which greatly strengthens our position in terms of attempting to achieve a democratic model. However, I would not say that a typically native model is being sought because such a thing does not exist. I would say that some imperative circumstances led to a revolutionary process whereby the selection of governors was accomplished by indirect means or by means of an electoral college on the way out. Not now, that election will be by direct means. Therefore, there will be no reason to doubt the possibility of rotation. On the other hand, the very question as to whether the election should be by direct or indirect means is not a characteristic that has to elect their governors. He does not say whether directly or indirectly. There are direct elections which are fraudulent and there are indirect elections which are absolutely democratic. Few people in our country are aware that the president of the

United States is elected indirectly; an electoral college is elected which later elects him. However, their campaign is so much built around the person of the candidate that the impression is that when a candidate wins the majority of the delegates he is already elected president of the United States. That is so overwhelming, that when the electoral college meets to elect the president no one even knows about it. That is also a very much one-of-a-kind indirect election. To make that into a model to be applied in any other part of the world would probably not be the best solution. However, right here, for the first time in the election of a president of the republic, we are going to have a substantial change. Up to now the president was elected by an electoral college previously known. Therefore, it was already known who was going to be the winner. The reason for this was that they were colleges which were concluding their term and, therefore, it was known who among them had the majority. That is not the case now. In 1982, whoever elects the Congress knows that he is going to elect the president of the republic. Then this is a new rule within that principle which you very colorfully called "plastic surgery..."

"Political operation..." (he speaks of what the reporter said) I believe that things are going very well. Moreover, it is not even properly a plastic surgery because it now seems that we are seeing a newly-born child.

[Question] You are a legislator who in 1982 is going to have 16 years in the Senate. You recently left the government party leadership to become the president of that Chamber. You are not lacking, therefore, in that enviable experience in legislative functions and in representing the people. At the same time, however, a large part of that experience has been in the midst of an authoritarian regime in which the Legislative Branch was reduced to, shall we say, a paper-shuffling function. What would be the role of the Legislative Branch in the contemporary period of a democratization process and in the system of complete democratic freedoms which is expected for the near future?

[Answer] I could, with my argumentative nature, argue the idea and answer you in part. But there are things which I cannot answer. For example: Authoritarian regime is absolutely true. We know that the AI-5 [Institutional Act No 5] gave the president of the republic extremely discretionary powers. What I do not accept is saying that it was a totalitarian regime. And it was not totalitarian exactly because there is a substantial difference between the authoritarian regime under which we lived in the past and the totalitarian regime which imposes on the citizen the mandatory acceptance of an official doctrine. That never existed. Even under the authoritarian regime we had an opposition which developed and grew and we never had the single party which is typical of totalitarianism. To turn the Congress into a relatively rubber-stamp chamber would not be real either. According to the description by Professor Mezey, we have four types of legislative branches in the world: those rubber-stamp chambers, which are typical of the totalitarian regimes; the consultative congresses; relative congresses and active congresses. I would say that our congress was relative. It was not an active congress. It was not like the U.S. Congress, to give an example of the presidential system. But neither was it only a pure and simple rubber-stamp chamber, which would meet three times a year, 4 days each time, as happens in certain totalitarian regimes, only to receive the list of what must be considered as

approved and legalized. What there is, in terms of a Legislative Branch is its decline throughout the world, independently of the authoritarian regimes. This decline is a result in large part because of the greater activity of the executive branches and the modernization of governments. Therefore, this should be analysed very carefully. At the same time, I concede, I agree, that there was a breakdown in prerogatives, a decrease in prerogatives. In the degree that a deputy or a senator knew that he could make a speech and leave the stand with his political rights taken away from him, the Legislative Branch was affected. However, today, happily, we have had not only the elimination of emergency laws but also have the chance to reestablish prerogatives that will strengthen the actions of the Brazilian Congress.

"Broad, But Not General and Unrestricted Prerogatives"

[Question] For some time, the political forces in the National Congress have been making a great effort in search of the reestablishment of the conditions for safeguarding the inviolability of legislative mandates. There is an obvious fear on the side of the government that constitutional protection for mandates in absolute terms--as the institution of full inviolability--could in practice generate the privilege of penal immunity. As the president of the Senate it would certainly be up to you to lead that process in large part. What would be the way to compatibilize those different positions?

[Answer] The terms of the question are very good because it speaks about the compatibilization of differing positions. Actually, what exists today, obviously, are those who on the one hand want the irresponsibility, or rather the inviolability of the mandate under any condition as well as immunity against legal action. To me this would appear to be an exaggeration. On the other hand, there are those who want to restrict this exaggeration and they may also go to excesses in the degree of restrictions. That is why it is necessary to find a balanced formula that is acceptable. There are stable democratic countries which found that formula. We have examples in English legislation, American legislation, West German legislation, and so forth. One of the most controversial points is the problem of slander, defamation and insults. As a rule, particularly in countries such as ours where political culture is still developing, it is necessary to surround the ruler who represents the people with protections and safeguards so that he may not be harmed by the violence of an elected official who uses some trick to do so. There is a reason why a mandate must be inviolable in its votes and its demonstrations. I agree fully with that so as to prevent that tomorrow a president of the republic, a governor, who feels affected, may use some trick by means of which they will conclude by coercing some deputy or senator. However, it seems excessive to me that in the commission of an ordinary crime, for example, in the commission of a common penal violation, the elected official would also be protected by the esprit de corps [of the legislative body]. When it is said that the balance is being maintained because a legislator has inviolability but does not have immunity from legal action, therefore being subject to the permission of his respective chamber for that legal action, that is not exactly what takes place because the chamber to which he belongs never gives that permission, at least practical experience has shown that they never do. Therefore, it is difficult to obtain a balance. If the pertinent chamber

did not use that esprit de corps and analyzed each case saying that this is really a political case but that one is not, then everything would be resolved. However, turning to your first question, here there is a case of a Brazilian idiosyncrasy. It may perhaps not even be very Brazilian because in the United States, which also has a similar device, in the past 50 years, if I am not mistaken, there have been one or two permissions granted for a legal action against legislators. However, some days ago, you may have read the news of a gay American legislator who was arrested in the men's room of the Congress because of homosexual activity. Imagine that in Brazil, the audacity of a policeman entering any department of the National Congress to make an arrest of a deputy or senator! That would make no sense. On the other hand, look at that English lady deputy, who in the fight between Catholics and Protestants she supported the IRA (Irish Revolutionary Army). What happened? She was sentenced to prison. At the time of her imprisonment, as a sign of solidarity, the president of the House of Commons accompanied her to the door of the penitentiary. She did not lose her mandate but she went to the penitentiary. They are examples of stable countries. In this area, Great Britain is considered the mother of modern democracy. What we want to obtain is precisely a point of equilibrium in which the elected official of the people has absolute, broad but not general or unrestricted safeguards for the exercise of his mandate. However, he must not be able to use that mandate for less noble purposes such as for example to evade penal actions when he is guilty of a crime which has nothing to do with the exercise of his mandate.

"Alacid Wants My Personal Destruction"

[Question] Up to now the crisis in Para remains subjected to erroneous evaluations. Indeed there are doubts as to whether anyone knows exactly why there was a break between the groups led by you and by Governor Alacid Nunes. Could you tell us the history of the events which led to that break? Is there some chance that the conflicting positions may be reconciled?

[Answer] To tell the history would perhaps take a long time. I am not going to mention the fact that the present governor is a person who was initiated by me into public life and kept by me in almost all the positions he has held in that public life. He was my student when I was a lieutenant. Afterward he was my lieutenant-aide when I was a captain in the Agulhas Negras Military Academy. He was my chief for the recruiting district when I was chief of staff. He was my prefect by my appointment. Later I came here and I convinced President Castelo Branco--which was the only exception the president made--to name him governor of the state of Para (direct appointment at that time, which was 1965). Later on the intrigues began. He said that leadership should not be divided, that he should assume the leadership in the state of Para because my star should shine in the south, and so forth. And he bit at that bait and the acts of ingratitude began, which in politics do not count. So, I am not going to comment on that. I will refer to the most recent episode. In the last episode, President Figueiredo, who had already been nominated but had not been sworn in, called on me to remain in the Senate where he needed my services. The correlation of forces in Para was entirely favorable to me. And he said (the president) that he had a second choice, Alacid. And I agreed. It was perhaps the greatest error I ever committed in politics because that kid had already

wronged me several times. And from then on there was nothing but an underhanded behavior once more. He went to Para with a minority. He had nearly 20 to 25 percent within the ARENA [National Renewal Alliance] in the correlation of forces; I had the rest: 70 to 75 percent. And he tried, naturally, to take over that majority. Then, the first move he made after he became government, was to go to the interior as ostensibly as possible, as brazenly as possible, trying to destroy all the candidacies of colleagues of mine. Afterward he called the prefects and put a sword at their throats: Either they support his personal position or they are going to be liquidated during his 4 years in office. Therefore, that made it impossible to have any trust in that man. Finally, he had pledged his word of honor to the president of the republic and it was that word of honor he forgot, he began to suffer amnesia. That convenient amnesia has led the president of the republic to be profoundly offended by him. All that the president asked of him, suggested, ordered through the president of the party and ministers was that he agree that I should have the majority of one man in the creation of the Party Executive Committee as a sort of compensation the president wanted to give to the friend who agreed that someone else should go over there [as governor of Para]. Not he, he wanted everything in a big way. He wanted the state area; he wanted the federal area, the political area; in short, everything for him and for his group. Therefore, that is the petty, small thing, the unfortunate basic reason of the misunderstanding which leads me to believe that there is no chance of any type of understanding. This is so much so that in a last effort I went to him and told him I would not be candidate for governor; that I would not be candidate to the Senate, that we would neutralize the party and that I only wanted him to be the candidate to the Senate and that we should be in common agreement on the name to be chosen for governor of the state. If even that was not acceptable to him, you can imagine what I could offer beyond that. His desire and obsession today is my personal destruction, that is all.

"The Legislative System is Unstable in Latin Countries"

[Question] The presidential system in the United States was born of the need to establish a higher power capable of promoting the unity of the colonies which were becoming federated states. Brazil, however, has always been a single state because it was born from a single colony. Do you not think that the national inclination would be more properly satisfied if a parliamentary system of government were to be established here in which the president as the chief of state would be immune to party differences? Would this type of system not be ideal for overcoming the cyclical crises which shake the country?

[Answer] That is a theory which has many followers, including here in the Congress. I, for my part, am not very much fascinated with it. You yourself, in the preamble to the question, showed that unlike the United States, for example, we were always a federation and not a confederation; we always had a single system and always the central power was very strong, reason for which I believe up to now the Brazilian tradition is much more presidential than parliamentary. We had the parliamentary system during the empire, which was even exercised in a very reasonable manner. However, we had a confused parliamentary system, completely unreal, during part of the Joao Goulart Government.

I even believe that the problem of the presidential system versus parliamentarianism is a problem to be argued academically for a long time before we find a solution. While that may work very well in countries of a traditionally democratic culture, particularly the Anglo-Saxon countries, the parliamentary system in Latin countries has been profoundly unstable. How many governments has Italy had because of that? France concluded by creating a hybrid. Today the president of France is a presidentialist. It is a presidential system in which the president has the best of both systems. He can, as a parliamentarian, order the Chamber into recess, worse than that, he can even dissolve it, which is a right he has only under parliamentarianism. However he is directly elected to 7 years with various powers typical of a presidential system. France to me is an obvious example that parliamentarianism in a Latin country has to be a hybrid; it concludes by being a mixture of parliamentarianism and presidentialism.

"Dialog Without Coalition, No. Difference is Necessary"

[Question] The government advocates the need to establish a broad dialog in the country among the political forces in the search for solutions for the great national problems and for insuring political stability. The opposition parties react, saying that the dialog proposed by the government consists of impositions which are considered unacceptable, such as the movement of matters of interest to it through the Congress with the restriction that they may not be changed. How do you feel about that question?

[Answer] This question of the dialog would have to be very clearly explained to me. The reason for this is that the dialog proposed by the government, according to your question, shows that it has been met with suspicion among the opposition as if it were a one-way street. However, the political class generally believes that dialog means coalition. This is something the president never offered. He does not want a government of coalition. He believes in a dialog in the degree in which subjects of higher interest--or better said, of higher national interest--could be discussed without factionalism and the government as well as the opposition would give a little in their own area so that a better solution could be obtained. I never understood a dialog to mean the absence of opposition with respect to the government because that would be extremely dangerous; it would be only a government marked by the absence of political opposition. What we all know is that politics feeds on differences of opinion, differences of opinion in doctrine, differences of opinion in the economic concept, and so forth, which causes one side to be the government and the other the opposition. Therefore, I do not understand that dialog to be the elimination of dissension, an elimination of points of conflict. I understand it as only a measure of great understanding on the part of both sides in the search for the best for the country at a time when it is facing a visible, undeniable, real economic crisis, which in turn is part of a disorder of the world capitalist economy.

[Question] The opposition accuses the economic model in effect of being discriminating and elitist. Discriminatory because it is favoring the interests of the multinational companies to the detriment of national private enterprise. Elitist because it is favoring the concentration of income at the top of the social pyramid and distributing the onus of fighting inflation in the form of greater sacrifices for the working class. Do you accept that criticism? How do you analyze the question?

[Answer] There are criticisms, which because of constant repetition conclude by practically being taken as an irrefutable truth. This is one of them. However, there is nothing further from the truth and nothing closer to a lie. Economic models can be distinguished as those which were adopted by populist governments, popular governments, conservative governments and so forth. Now from the 50's up to now at least, we have had all of those. We had Getulio, Dutra, Juscelino, Jango, Janio and we had presidents of a military background. If you analyze that with impartiality, with the eyes of an economist, you are going to see that the model is one of concentration from the 50's up to now. For example, an unsuspecting person who refers to that is Senator Roberto Saturnino (PMDB [Brazilian Democratic Movement Party] of Rio). He is a man of the highest character, including moral. Very well, he recognizes that after the 50's we had a concentrating model. Why is that? Because, although he says that it is more concentrated now than in the past, he accused the Juscelino years of having a concentrating model also. My explanation is very simple. It is because in developing countries the concentrating model is the rule. It is only after a certain maturity in the economy has been reached that there begins to be a possibility of correcting that basic defect. We now have, and have had since the last years of the decade of the 70's, the reversal of that tendency. It is very probable that the 80 Census will reveal that, which proves therefore, that we, from 1964 to now, who are accused of having been concentrators, inherited a concentrating process. And that concentrating process, as I told you, has been passing through governments of various tendencies. Therefore, in large part I accept the explanation of the nature of underdeveloped countries, which as a rule have models which conclude by giving privileges to the top of the social pyramid. We are going to see whether the 80 Census proves exactly the contrary--proves that in these past years we have been trying to effect a deconcentration of income. As far as the multinationals are concerned, it is another false rumor, another infamy with which an attempt is always being made to compromise the government. It is enough to see the complaints they have against Brazil, the complaints they have against the governments, including the present one. What cannot be doubted is that a country such as ours, if it wants to develop quickly, cannot forget that it can only do so by attracting foreign savings. Because if we depend only on national savings, which are very small, we are going to delay the development of this country until the year 2050. All countries of the world, including the socialists, will develop faster, will invigorate their development, by attracting foreign savings. Therefore, at this time we also advocate that process. On the other hand, the multinationals are a phenomenon of the development of world capitalism. They are present in it. And it is necessary to know up to what point they are good and bad. They are not necessarily an evil. It depends on us, it depends on our way of acting, on our way of supervising the

actions of those companies in Brazil. Today we already have our own multi-nations operating abroad. How many companies of ours today are happily beginning to provide services and generate foreign credits for us. Ah, it is good there because it is us, but it is bad when it is not us. It is a little bit of insincerity applied to "slogans" which provide great results of a political type.

"The President is Not Alone or Under Pressure"

[Question] The national president of the Popular Party, Tancredo Neves, declared a short time ago that President Joao Figueiredo finds himself alone in the government in defending his proposal for a democratic opening. Recently the newspaper O ESTADO DE SAO PAULO indicated differences as to the management of the Brazilian political process among the more important advisers who work in Planalto Palace. In view of that, Senator Tancredo Neves declared that if on that occasion the president of the republic found himself alone in the defense of his democratic proposal, he now finds himself under pressure. We would like for you to tell us what he thinks with respect to this opinion.

[Answer] I disagree completely with the opinion of Senator Tancredo, even though he is an admirable man by any account. However, he is ill-informed in that case. He does not have accurate information on what is happening. It is obvious that the president has advisers who are closer to him, such as the so-called nine o'clock group, which I call the president's personal staff. They are the chief of the Civilian Household, of the Military Household, the Chief of the SNI [National Intelligence Service] and the minister of planning. Daily they discuss those nine o'clock matters. And I do not have the slightest doubt that what takes place is what we are accustomed to calling, because of our upbringing, a staff meeting. Each one expresses his opinion. However, when it is time to make a decision, all forget their personal opinions and work for the success of the decision made by the chief, in this case the president of the republic. I do not believe in those differences, in those types of dissensions. No way. Differences may exist loyally before the decision is adopted. Once the decision is made, I have not the slightest doubt that all the ministers are loyal to the president. And the president is neither alone nor is he under pressure. The president is a man, who because of his own inclination has the ability to open roads. And he would never submit to living in an ivory tower. Therefore, unfortunately, that statement is the result of questionable information which Senator Tancredo Neves received and perhaps a deliberately wrong information that would lead to that statement.

8908

CSO: 3001/154

BANK PRESIDENT SAYS COUNTRY'S CREDIT IS GROWING

Rio de Janeiro O GLOBO in Portuguese 27 Mar 81 p 23

[Text] The president of the Central Bank, Carlos Geraldo Langoni, declared yesterday in a talk to professors and students of the post graduate school of economy at the Getulio Vargas Foundation, that Brazil's credit abroad is improving month by month and that the country will have no difficulties this year in contracting the resources needed to cover the deficit in the balance of payments.

"In January, Brazil received \$200 million through Resolution 63 (transfer of foreign resources by commercial banks to the domestic market); in February, we received \$800 million; and from March up to now, we contracted for more than \$800 million through Resolution 63 alone."

Langoni said that the exchange reserves of the country showed a slight decline at the beginning of the year but that they will begin to recover beginning in April because of the smaller trade deficit and the entry of foreign resources. The president of the Central Bank foresaw a decline in interest rates in the international market in the first half of the year. "The pattern of interest rates in the second half will depend on the results of economic measures adopted by the new American government," he explained.

"Brazil is paying a spread (difference above the basic rate of interest) of between 2 and 2.5 percent, which is considered high, but which is due much more to the activity by Brazil in the market than to the risk factor itself. Chile, for example, is paying a spread of 1 percent, but is only going to contract for \$500 million in the market, which is what we negotiate in only one two-week period through Resolution 63. Brazil is still going to contract for no less than \$13 billion in 1981."

The president of the Central Bank explained that the greatest search for external credit, particularly by the multinational companies installed in Brazil, is due to the monetary and fiscal measures adopted by the government.

"Through the IFO (Tax on Financial Operations) we increase the difference between the rates of domestic and foreign rates of interest, causing the latter to become more attractive for the borrower. Moreover, we establish a quantitative limit to the expansion of domestic credit, which causes the companies to have to resort to the international financial market because the banks here are not in a condition to lend, although they are free to make transfers by Resolution 63.

"I believe these to be two temporary measures but we do not intend to change them in 1981. When Brazilian exchange reserves reach a reasonable level, we can abolish the quantitative limits on domestic credit. As far as the effect of the IOF on loans in the domestic market, it will also be reduced as the rates of interest decline in the international market."

Monetary Correction

The president of the Central Bank said that today there is no formula for calculating monetary correction and exchange correction, "However, the entire market has already noted that there is a rule." This rule consists of making the exchange correction similar to the monetary correction, taking into consideration domestic inflation, foreign inflation and factors such as the recent gains of the dollar on the international market, for example," he explained.

8908

CSO: 3001/154

U.S. AUTOMATIC RIFLES SEIZED AT AIRPORT: COMMENT

Police Statement

Rio de Janeiro O GLOBO in Portuguese 19 Mar 81 p 8

[Text] Sao Paulo--(O GLOBO)--The civilian police and the PM [Military Police] have Colt AR-15 223-caliber rifles for ordinary use in the suppression of crime, it was reported yesterday by a source of the Secretariat of Security, who attributed the introduction of those weapons to former Secretary of Security Col Erasmo Dias.

According to the source, the DOPS [Department of Political and Social Order], the State Criminal Investigations Department (DEIC) and the Tobias de Aguiar Battalion of the PM have the AR-15 rifles. Their distribution was made as a reward to the units which were the most outstanding in the fight against crime.

That rifle is the same model as the four exhibited yesterday together with two submachineguns by Second Army Commander Gen Milton Tavares de Souza, who said that the weapons had been seized as contraband at the Congonhas Airport.



These are two of the rifles exhibited yesterday. They were seized at Congonhas Airport, as was reported by Second Army Commander Gen Milton Tavares.

Used widely by the Americans during the Vietnam War, the introduction of the AR-15 into the Sao Paulo police was reported by the Sao Paulo newspaper JORNAL DA TARDE in its 25 July 1977 edition. The weapons, according to the newspaper, were first issued to the GARRA (Robbery Suppression Group) in November 1976.



This is the photograph published by JORNAL DA TARDE 25 July 1977. The weapon is identified as a Colt AR-15 and has been in the hands of GARRA since November 1976.

Police Denial

DEIC Director Jose Vidal Pilar Fernandez said yesterday he was unaware that the GARRA--which is subordinated to his department--has the AR-15 rifle. He added that the weapon is classified as a military weapon and its use is forbidden to civilians. The DEIX does not have authorization to import it. He also declared that the possession of that rifle or a heavy weapon of similar type by any civilian police would be "a serious violation."

GARRA Chief, Commissioner Henrique Riedel Neto, also asserted that he is unaware that the weapon had been delivered to that police group in 1976 during the term in office of Col Erasmo Dias in the Secretariat of Security. He said that when he assumed the post in 1978, he found only 38-caliber rifles and revolvers. However, a GARRA investigator who has been in the unit since its creation in 1976, reported that Col Erasmo Dias gave those weapons to policemen as gifts for efficiency in action.

The four men from whom the four AR-15's were taken in an operation led by Commissioner Paulo Boncristiano last 4 February, are being held at the House of Detention but up to now their identities have not been revealed.

A source of the Secretariat of Security reported yesterday that once the preliminary hearing is concluded, the seized weapons will be turned over to the Second Army. According to the informant, only one of the four seized rifles is equipped with a silencer. Of the four rifles shown the day before yesterday by the Second Army, one also has a silencer.

February Arrests

The seizure by Sao Paulo police of four 223-caliber Model SP 1 Colt AR-15 automatic rifles equipped with silencers and infrared telescopic sights for night targets, was reported by O GLOBO in its edition of last 5 February with the following article:

"Four Colt automatic rifles with silencers and infrared telescopic sights for night targets were seized yesterday by Sao Paulo police from four men who were driving around in a suspicious manner in the business district of Bosque da Saude in the southern zone of the city.

" 'I have never seen weapons such as these, not even in the movies,' declared commissioner Paulo Boncristiano, chief of the South Section.

"The accurate rifles were in the trunk of the car and the policemen also seized four Argentine machinepistols of the Molina brand."

Documents

"Highway policemen of Rota, commanded by Lieutenant Fabiano, were patrolling Bosque de Saude yesterday, when a Passat attracted their attention. It was carrying four men and had already made several circles around the block. At the moment when it was surrounded, it was parked in front of a bakery.

"They were acting suspiciously and when we arrived asking for their documents we noted that each of them carried a Molina automatic pistol in his belt. We decided to inspect the entire car.

"When they opened the trunk the policemen found the automatic rifles and immediately arrested the four and took them to the South Section to Commissioner Paulo Boncristiano.

"Their names were not revealed, and according to Commissioner Boncristiano, they confessed they belonged to a large gang of bank holdup men operating in Rio, Sao Paulo, Mato Grosso do Sul and Paraguay. The other members of the gang, some recently released from the House of Detention, are being sought by the police.

"They also said that they did not even get to use the automatic rifles and that they did not know where they came from. They believe, however, that they came to Brazil through Paraguay.

Colt AR-15

The technical name of the rifle-machinegun found with the holdup men is Colt AR-15, Model SP 1, caliber 223. It is manufactured by the Colt Firearm Division in Hartford, Connecticut, U.S.A.

"The color is titanium grey and it can be taken down into four parts: stock, receiver, forward grip and barrel, which fit into a case 40 by 30 by 15 centimeters which looks like a large box of cigars or a small briefcase of the 007 type.

"Each weapon costs \$8,000 (nearly 600,000 cruzeiros) and has a 30-round clip for 223-caliber cartridges (American) or 5.56mm (national, manufactured by the CBC [expansion unknown])."

Erasmio Confirms the Gifts

Deputy Antonio Erasmio Dias (PDS [Social Democratic Party]-SP) in Brasilia last night confirmed that during his term of office as secretary of security of Sao Paulo he bought five AR-15 rifles in the United States and gave four of them as presents to GARRA and other units as rewards for services rendered in the suppression of crime.

"I have the fifth and it is the best weapon that exists." The deputy said that the AR-15 is a rifle which appears in the SWAT series and has long been used by U.S. police. He said that during his term as secretary of security, a weapon of that type was never found in the hands of robbers and he joked: "They would not even know how to use one of those weapons."



This is one of the four rifles seized 4 February this year from four men identified as members of a bank holdup gang.

Government Leaders Worried

Rio de Janeiro O GLOBO in Portuguese 19 Mar 81 p 8

[Text] Brasilia (O GLOBO)--Senate President Jarbas Passarinho and the government leader in the Chamber, Deputy Cantidio Sampaio, expressed concern yesterday at the seizure of heavy, sophisticated weapons by security agencies in Sao Paulo and shown the day before yesterday by Second Army Commander Gen Milton Tavares de Souza.

Pasarinho, stating that he was "impressed" because it is a matter of military weapons accurate up to 500 meters, said: "The incident cannot be considered purely and simply as contraband for the use of criminals because they only use short-range weapons."

Deputy Cantidio Sampaio has already made the reservation that "no one can state that the material seized was to be used in armed actions, nor did Gen Milton Tavares de Souza make that statement, he only said it was possible. However, he then emphasized that "that smuggling of weapons can only be linked to terrorist actions of the right or the left."

The president's press secretary, Carlos Atila, said yesterday that the statements by General Milton "in themselves put an end to the episode."

Atila added that Planalto Palace learned of the seizure of the smuggled weapons but that at the moment it had nothing to add to what has been revealed by the general.

General Hints at Subversion

Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Mar 81 p 6

[Text] Declaring that "No one buys or stockpiles a heavy weapon if he does not have the seizure of power by force in mind," Second Army Commander Gen Milton Tavares de Souza yesterday exhibited three rifles and two machineguns of North American manufacture, an Italian rifle and five boxes of ammunition at the Ibirapuera General Headquarters. The items had been seized as contraband at the Congonhas Airport.

General Milton revealed that the "war materiel," as he called it, is only part of a number of similar seizures by security agencies, there being a "good number" of those weapons already seized.

Considering it "possible but not very probable," that those weapons are destined for another country, the commander of the Second Army said he cannot declare that "this has been the work of the international communist movement" disclaiming: "However, in the area of possibility it is very probable that it is. Those who love freedom, human rights and want to be free, must keep their eyes wide open to what the international communist movement is doing."

The Weapons

Showing the weapons seized, General Milton said that these are "heavy combat weapons. This is not a matter of weapons suitable for holding up a bank nor for an ordinary street holdup. I leave it to the intelligence of you gentlemen to establish the purpose for which those weapons are entering the country. I cannot tell you that we intercepted them at the beginning of their entry. God grant that we have.

"Here you gentlemen see three North American rifles (semiautomatic AR-15's made by Colt, caliber .223, with a range of 2,653 meters) which are the equivalent of the FAL--Light Automatic Rifle--that we use. Those rifles have a very high combat capability, using three types of ammunition, which we have here: Service ammunition; the so-called Power-Lokt, which is of the "dumdum" type, banned even for combat; and ammunition with a high shocking power (on the identifying label on the boxes of ammunition seized, it says: 'Combat ammunition--exceptional shocking power at long range. It shatters on impact, enlarging the wound made by the projectile' Then you see the same weapon with a silencer, which muffles the shot," continued the general.

The Second Army commander recalled that "In the war in Vietnam, several warehouses filled with these rifles fell into the hands of the Vietnamese, who are now selling them or sending them where leftist revolutions are taking place. Here in America, they have entered through Cuba. They have already appeared in Nicaragua and now they are appearing in El Salvador. Here you gentlemen have another type of rifle. It is the Beretta of Italian manufacture. It is a 22-caliber weapon with a range of 1,500 meters (semiautomatic AP-74). A short time ago the Red Brigades 'expropriated' nearly 1,000 weapons of that type. They are also beginning to appear via Cuba, El Salvador and Nicaragua."

General Milton also said that the North American rifle costs \$287.50 at the factory (the equivalent of 21,580 cruzeiros) and the Italian rifle \$114.95 (8,628 cruzeiros). "That materiel entered through the Congonhas Airport, packaged as a tennis racket. It is obvious that the company which mailed it is fictitious as is the receiving Brazilian firm which was going to receive it. They are also coming by highway and by the various ways in which Brazil can be entered with something illegal. That example of contraband we have been seizing gradually requires two things to be viable: First, a rich international organization and, second, a receiving organization in our country. That is a collective contraband aimed at something besides target practice."

Investigations Continue

Subsequently, General Milton granted a collective interview whose principal questions and answers were as follows:

[Question] Based on your experience as a military man, do you believe that this incident indicates subversion on the march in Brazil?

[Answer] I am not accustomed to accusing anyone without proof. I do not have any proof in my hands up to now to be able to say that this has been the work of the international communist movement. However, within the realm of probability, it is very probable that it is.

[Question] You stated that such material is an important indication. Could you tell us what it indicated?

[Answer] No one buys a weapon or stockpiles heavy weapons if he does not have in mind an attempt to seize power by force. It is too much weapon for anything else.

[Question] Is the army trying to find out who is responsible?

[Answer] It is obvious that investigations continue, not only in the search for more smuggled materials but also for the one who is smuggling it in and particularly the person who is receiving it.

[Question] Why would those weapons not serve for holding up banks?

[Answer] They are too heavy. They would hinder the robbers.

[Question] Has the army managed to arrest a suspect?

[Answer] That is one of the facts I must not reveal. You must understand that we are in the middle of the operation.

[Question] Through what American country did those weapons come?

[Answer] I do not have any information on that. Some came forwarded from the United States to Sao Paulo and they came packed as if they were tennis racquets. Now whether they came from the United States themselves, I do not know.

[Question] What groups would be active in Brazil with respect to the use of heavy weapons?

[Answer] All the subversive groups which exist.

[Question] Are you in favor of reforming or softening the National Security Law?

[Answer] There can be no society without laws to curb excesses, excesses in all respects, primarily those excesses which may place national security in jeopardy. Now, every law should be flexible and changeable, depending on the case, depending on the situation, sometimes it is necessary that it change. At this moment I am not in a position to reply on that subject.

[Question] In terms of Brazil, what is the meaning of that seizure of weapons?

[Answer] That means something I have always been saying: That we must be alert, That those who truly love freedom and human rights and those who want to be free must keep their eyes wide open to everything that the international communist movement does.

[Question] When President Figueiredo visited Colombia, Brazilian weapons which were being used by the M-19 were seized. What is your opinion on the subject?

[Answer] That affair is still under investigation. We do not have any specific information. However, we export Brazilian weapons to several countries. We cannot be responsible for the use the importing country makes of those weapons.

[Question] Could it be that those weapons are being transhipped to another country?

[Answer] Everything is possible although not very probable.

[Question] How do you view the Military Police strike in Bahia?

[Answer] In national terms it was a very small strike, a very large strike in local terms, but it ended within 72 hours. That does not represent a crisis among men of government.



U.S. and Italian made rifles are among the seized weapons.

Army Can Crush Subversion

Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Mar 81 p 6

[Text] Brasilia--Adm Ibsen Gusmao Camara left the post of deputy chief of staff of the armed forces yesterday. In the ceremony at which the chief of the armed forces staff, Gen Jose Ferraz da Rocha, presided, Brigadier Silas Rodrigues was sworn in. At an interview after the ceremony transferring command took place, Gen Ferraz da Rocha said he does not know "What the communist movement is thinking of doing, but the worst case scenario is armed struggle and we have to be prepared to crush it." As to the announcement by the commander of the Second Army, Gen Milton Tavares de Sousa, of the seizure of weapons by security agencies,

he declared that "the government will have to be more careful on this matter." The chief of the armed forces staff believes that "Subversion of communist origins did not disappear but it is contained."

Ferraz da Rocha declared then that "For the time being the United States is exerting pressures on El Salvador in the economic and political fields, limiting itself to sending military advisers," but that in the future it could act directly "as in Chile." He declared, on the other hand, that the contacts between military personnel of Brazil and the United States "will intensify the exchange of information and officers of the two countries."

He also said that "The social and economic picture of the country is one of difficulties which the government is trying to resolve. The political picture," he continued, "is one of constant change as you yourselves can confirm."

Ferraz da Rocha said, finally, that "Democracy is always assailed and in order to learn how to defend it, studies during this entire year in the Superior War School will be on ideological defense."

Military Power

In the speech he made at the transfer of command ceremony, Adm Ibsen Gusmao Camara declared that he found himself "among those who believe the country should have in the not too distant future a military power which is truly at the level of its economic development, its potential and its strategic location, not because the Brazilian nation harbors pretensions of hegemony or aggressive intentions, which are irreconcilable with our inborn peaceful nature, but because it would be an unacceptable risk not to do so in a world which is increasingly violent and more and more armed, a world in which the validity of international collective defense organizations is discredited and in which unhappily it is still force which is the final guarantee of freedom, peace and survival."

The chief of the armed forces staff, Gen Jose Ferraz da Rocha, then spoke and said that he endorsed the words of Admiral Ibsen, saying: "The armed forces must always have the most suitable financial resources capable of placing them operationally at the level of their important mission." He added: "The position occupied by the country requires at least that our armed forces be more operational."

Admiral Ibsen Gusmao said: "Unfortunately the momentary economic difficulties the nation is facing have been drastically inhibiting the necessary refurbishing of our armed forces and the armed forces staff in recent years has not been able to contribute effectively to the pursuit of that objective. Even so, budgetary restrictions have not prevented significant progress from being made in the organizational and doctrinaire fields. We have made studies and established guidelines which will make practical, rational and more effective the combined use of naval, land and air forces when we finally have the necessary minimum means required for our security."

Senator Asks for Restraint

Rio de Janeiro JORNAL DO BRASIL in Portuguese 12 Mar 81 p 6

[Text] The president of the National Congress, Senator Jarbas Passarinho (PDS-PA), yesterday recommended to the press that "it not encourage the state of mind" of those who are apprehensive about the news that Second Army authorities have indications that there are clandestine groups in the country preparing for armed struggle. The senator, who spoke to reporters after giving a lecture at the Naval War School in Rio, said that he was not aware of the discovery of caches of sophisticated weapons in the area of the Second Army or that some of the series of bank holdups which have taken place lately are aimed at collecting funds for financing armed struggle.

Regression Syndrome

Jarbas Passarinho discounted any relationship between his recommendation and the "more sincere pockets" existing in the armed forces, as was admitted by former President Ernesto Geisel. He explained that his appeal was aimed only at preventing such news from gaining a greater dimension than the facts themselves, adding that he did not believe in the outbreak of armed struggle.

As an argument he quoted what he called "former exile literature," which he compared to a sort of "act of confession" by the former militants that armed struggle had been an error.

"Perhaps we could have even been rid of AI-5 (Institutional Act No Five) a long time ago if what Prestes (former secretary general of the Brazilian Communist Party) described as coupist military adventurism by the left had not taken place. However, it seems that he himself would be in favor of armed struggle today after his alliance with the MR-8.

"I believe, therefore," continued the senator, "that Brazilian society, after the difficult and painful experience it suffered, would not support an adventure of this type."

Jarbas Passarinho also did not wish to link this news with the statements by Minister of Interior Mario Andreazza that there were subversives infiltrated among the victims of the drought which is scourging the Northeast and that it is they who are responsible for the agitation and looting which took place in several cities of the Ceara back country. "I did not talk with Minister Andreazza but I have the impression that what he meant to say is that there are those who fish in troubled waters; who seek to take advantage of all those things. The hunger that the victims are suffering is a reality."

The senator reacted wearily when he was asked if all these facts did not indicate that there was some danger of regression in the democratization process. "My son, I spent 2 years as the leader of the government party always replying to that question. I believe that it has become part of the regression syndrome."

Democratization Not in Danger

Rio de Janeiro O GLOBO in Portuguese 21 Mar 81 p 5

[Text] Minister of the Navy Adm Maximiano da Fonseca declared yesterday in an interview on board the school ship "Custodio de Melo" that the "democratic opening will only be threatened on the day that the Brazilian people ask that it be closed."

Maximiano da Fonseca said that the seizure of a lot of smuggled weapons in Sao Paulo "is an extremely serious problem," but that "it does not mean that the political opening has to halt."

Complete Freedom

"There is not the slightest intention," said the minister of the navy, "of changing to the other side. Are you looking? There have been 2 years of government with total freedom of the press and there are no political prisoners. There is amnesty with its rights.

"However, if weapons begin to appear and those weapons are for political purposes," he continued, "I do not mean that it is going to end but the problem is serious. There is much talk against the Security Law but it is a necessary law. The country has to defend itself. Well, as far as the reform of the Security Law, I will not give my opinion."

The minister believes it is "interesting when there is talk of the right to indemnification, whether it be moral or material, of the ones who suffered, always with the word 'torture.'"

"And what about the 300 military personnel who died in the fight against subversion? No one talks about that. However, we are going to pacify everything. Everything is ended and I am against revenge. As far as the democratization is concerned, there is not the slightest threat."

Central America

Questioned on the situation of Central America, Minister Maximo Fonseca said: "I view the event with enormous concern, as do all the Brazilian people, because the tendency of Central America to become communist is a very great danger to us. I am an anticommunist who grew up among the people. I am a wage earner. By training and doctrine I am anticommunist. Now that problem of intervention is not ours. Brazil has already declared that it is not going to intervene. The problem is theirs, of the United States.

On whether the sale of weapons by the United States to Argentina could affect the strategic balance of South America the minister said:

"We do not have any problem with Argentina. The problem is between the Argentines and the Americans. We are not in a competition with Argentina of whom we are good friends."

No Intervention Says General

Rio de Janeiro O GLOBO in Portuguese 19 Mar 81 p 8

[Text] Brasilia (O GLOBO)—Minister-Chief of the Armed Forces Staff, Gen Jose Ferraz da Rocha, yesterday discounted the theory that Brazil favors a military intervention in El Salvador, pointing out "the recent statement by President Joao Figueiredo in Colombia against interventions."

General Ferraz da Rocha said he did not know what the principles adopted by the United States are with respect to El Salvador but he admitted that the Americans can continue to provide advisers, war materiel and even other types of help without the need to intervene, assuming the responsibility for controlling the situation.

The minister-chief of the armed forces staff also emphasized that the principles of the Inter-American Reciprocal Assistance Treaty (TIAR) have to do with cases of intervention, which is not necessarily an alternative for El Salvador.

Interview

O GLOBO: What were the understandings reached during your recent visit to the United States?

Ferraz: The climate of the talks was very cordial, sincere, fair and frank, and naturally with mutual respect between representatives of two sovereign nations.

O ESTADO DE SAO PAULO: Did the North American military men show interest in a new type of military cooperation?

Ferraz: They showed a great interest in improving relationships with Brazilian military personnel. There were always good relations but now they want to improve them.

O GLOBO: Gen Milton Tavares de Souza showed some weapons in Sao Paulo which were smuggled into the country. How do you view that question?

Ferraz: General Milton, naturally, is going to investigate and take the necessary measures. I believe that our government is going to have to be more careful with this problem.

RADIO NACIONAL: Could the problem of weapons in Sao Paulo be linked to subversion?

Ferraz: I believe there is a link. I have said on previous occasions that subversion of communist origins did not disappear in Brazil. It is contained because of measures taken by the government, but it never disappeared. I do not know what the communist movement intends to do but I say that as far as we are concerned, the worst thing would be for them to resort to armed struggle. This is the worst hypothesis and we have to be prepared for that; to crush subversion in case it attempts armed struggle.

TV NACIONAL: Would the objective be the seizure of power?

Ferraz: If the government allowed it. I believe that the government is never going to allow that.

JORNAL DO BRASIL: How would an improvement be made in the exchange with the United States?

Ferraz: By continuing the exchange of information, through courses here and there attended by Brazilian and American military personnel, and through visits by military officials.

8908

CSO: 3001/149

RURAL WORKERS UNION FEARS REPRESSION AGAINST UNION ACTIVITIES

Rio de Janeiro O GLOBO in Portuguese 22 Mar 81 p 7

[Text] Brasilia (O GLOBO)--The National Farmworkers Confederation (CONTAG) yesterday revealed documents declaring that rural workers are worried by the actions by government security agencies, which consider the meetings held in the exercise of union activities as crimes covered by the National Security Law.

Signed by 25 representatives of state farmworkers federations and directors of CONAG, the document also says that repression against the worker units increases at a time that antidemocratic forces expand their share of the political picture.

Recalling that in 1968 the CONTAG had its printed material seized and its leaders forced to make statements, and that in 1973 the minister of labor tried to prevent the holding of the Second National Rural Workers Congress, the document states that now, in the midst of the political opening, the security agencies seek to hinder the union movement, charging the president of CONTAG, Jose Francisco da Silva and the delegate from Acre, with inciting the workers of that state.

After making a report on the land-ownership situation in all states, the CONTAG declares that the legitimate representatives of the rural working class of Brazil express their conviction that the meetings held by representatives of the body were not criminal before any law, but rather resulting from the legitimate exercise of union activity.

"The farm workers of Brazil feel that they will also be tried. They restate their desire for a free, dynamic and vigorous union activity. They cannot conceive that from victims they are going to be made criminals. That is why they proclaim their trust in the justice of the country, certain that the traditions of independence and impartiality will be maintained at any price and under any circumstances, and the comrade president of CONTAG, its delegate in Acre and other persons involved in the process will be absolved," concluded the document.

8908

CSO: 3001/154

BRIEFS

ATTACK ON PT HEADQUARTERS--Sao Paulo (O GLOBO)--The headquarters of the Workers Party [PT] was invaded yesterday morning by two armed men who took with them documents and a typewriter. The leader of the party in the Chamber, Deputy Airton Soares, said: "The assailants adopted the behavior of criminals but from what everything indicates, the action was aimed at collecting information." The custodians described the housebreakers as "two white men, one thin of medium height, and another husky with a shaved head." They remained nearly an hour and a half in the building sifting through documents and then they took a taxi which was waiting for them. Airton Soares showed concern about the theft of the documents. "Since it is not known what purposes they will be used for. Someone could prepare others and place them in the building in an attempt to incriminate us." [Text] [Rio de Janeiro O GLOBO in Portuguese 30 Mar 81 p 4] 8908

CSO: 3001/154

U. S. BASES ABROAD SEEN AS 'IMPERIALISM'

Havana JUVENTUD REBELDE in Spanish 26 Feb 81 p 6

[Article by Miguel Enrique]

[Text] During the presidential campaign and after assuming the presidency, Mr Ronald Reagan voiced charges that officials and powers whose conduct does not deserve such a rash characterization are expansionist and engrossed in hegemonism.

According to him, the Soviet Union and with it the socialist community are attempting to take over the world by force, and they are engaged in a major effort to achieve military superiority.

Mr Reagan says that the United States is at a disadvantage and that the USSR aspires to supremacy . . . and the American corporations are all the happier thinking of the fat dividends they will reap from the arms race promoted by the new president.

That is enough of an introduction. Let us now look at the facts.

How many military bases does the USSR have in the world? How many Soviet units are stationed hundreds of thousands of kilometers from their homeland? How many Soviet warships are plowing foreign seas in defense of national territory?

The answer is obvious. Let us look at the case of the United States, a nation with 2,500 military enclaves scattered throughout the world and with sophisticated espionage systems in 114 countries. Of these, 386 operate in territory adjoining the USSR.

It is estimated that the Pentagon has assigned over 500,000 soldiers to the American military bases, more or less one-fourth of the men the United States has under arms.

In western Europe and Canada alone, the Pentagon has 74 installations of this type, and there are 26 in Turkey.

The Sixth Fleet in the Mediterranean has bases in Naples, Gaeta, Sicily, Sigonella, Pireu, and the islands of Magdalena and Santo Stefano, off Sardinia. There are, moreover, others that are no less important in Crete, Greece, and Akroteri, Cyprus, from where spy planes take off for the Middle East.

As people know, Israel placed the airfield at Assyyoum in the Sinai at the disposal of the United States along with the port of Haifa, and two other strategic bases for American aviation are being built in the Negev desert.

According to the NEW YORK TIMES, these bases furnished at no cost by the Zionists "will serve the rapid-deployment troops who will protect the United States' interests in the region."

The principal base for the American expeditionary forces in the Middle East is located at Jufair, Bahrain, while on the island of Masira, Oman, there is an important Air Force installation.

In Saudi Arabia, the Marines and the Air Force occupy installations in Sahrn, Jubayl, Jiddah, Tabrk [as published] and Riyadh.

Despite repeated international criticism, the United States is transforming the Indian Ocean into waters full of danger for countries that adjoin it. The American flag flies on the islands of Aldabra, Derroches and Parquhar.

The largest of these bases is on the island of Diego Garcia, in whose harbor as many as 10 warships can anchor at the same time.

The deployment of strategic bombers from Diego Garcia is possible.

The United States maintains, in the Seventh Fleet and in land bases, some 130,000 men in the Pacific and the Far East. It has powerful units stationed in Japan, South Korea and the Philippines.

The Marshall Islands, more specifically the atoll of Kwajalein, have been converted into one of the Pentagon's best-equipped nuclear missile bases.

The United States' ostentatious deployment of forces throughout the world is completed with the 150,000 men it has in Caribbean bases and the over 350,000 stationed in Europe.

Given this picture, the answer is obvious for two questions that must necessarily arise from the topic: Who is threatening world peace? Who is seeking military hegemony?

[See map on following page]

[illegible]

IV. S. Bases Throughout the World

REPORTAGE ON GDR YOUTH WORKING IN CIENFUEGOS

Havana JUVENTUD REBELDE in Spanish 6 Mar 81 p 4

[Article by Osvaldo Rodriguez Martinez]

[Text] The hand of friendship has been extended by our sister nation, the German Democratic Republic, in the form of a brigade of young people whose act of solidarity has been expressed in hard work and sweat. They are working beside us on the starting-up of the biggest cement plant in the country, the Karl Marx plant, located in Cienfuegos.

The group, consisting of 24 members of Free German Youth (FDJ), is composed of mechanics, electricians and tool workers. As they readily say, they came to Cuba not only to share their experience but also to learn from us; for none is a specialist in cement plants.

Although they do not speak the language, there is always a way to express an idea, and at the most difficult times it is then necessary to hunt up the interpreter. This rarely happens, however, for, as Rainer Pietsch, head mechanic, expressed it, "When we use our hands and feet, the Cubans always understand what we're trying to tell them."

We saw Rainer hard at work in the quarry, repairing the gear box of an electric crane. "In the GDR we never worked on equipment like this, for I was a lathe operator and only recently became a mechanic. So this is a new experience for me. Here, we Germans and Cubans are learning together."

"There are 12 German mechanics working. We're distributed among the Cuban brigades working on the repairing of the quarry equipment in general. We meet on Saturday to discuss the week's work and to see how we might approach problems to solve them," the head of the young German mechanics said.

In the big control room, along with the advisors from the GDR we found a group of members of the FDJ, who are working as tool workers and electricians. They are led by Uwe Frahm, one of the tool workers.

"We repair tools and electrical devices and systems in the control room and inside the plant. There's a total of five electricians and three instrument repairmen. Our work schedule is 8 hours, although we stay as long as we have to if there's a problem," Uwe explained.

The young man gave a demonstration of the work they were doing and removed one of the instruments from the switchboard by means of which all factory operations are controlled and regulated. Communication with the Cubans is easier for this small collective because those working in the control room studied in the GDR, and thus they speak the language, including technical terminology.

Life in the Pepito Tey Complex

This brigade of young people lives in an apartment building in the Pepito Tey complex very close to the plant. They have a social club there, where they get together for parties and political activities, or simply to relax with a table game, whether it be chess, cards or something else.

The social group meets in one of the apartments in the same building. It is decorated in a very original manner, with "canabravas," dried coconuts and other examples of tropical flora, which completely change the appearance of the place. The apartments in which they live have undergone a similar transformation.

These young Germans have also constructed a volleyball court; and every afternoon after their daily work they can be seen out on the court in sports attire, preparing to engage in friendly competition with Cubans who live in the area. Table tennis or "ping pong"--as they have taught them to call it--is another sport they all prefer.

Don't the young Germans like parties?

When the question was translated, they all smiled, and Frank Schuppan answered, "When someone in the brigade has a birthday, our group gets together and we have a party. We also celebrate political and social occasions. We invite our Cuban comrades to those parties, and we also take part in those involving the plant."

The same Frank told us more about the collective's life in general. "Every day we get up at 0530 hours; we eat breakfast, and at 0650 we leave for the plant, where each goes to his work place. No, we are not advisers; we're workers, and we work along with the Cubans in their particular jobs."

We found confirmation of this answer in the tired faces of the young Germans who were returning home after working half the day. Their clothes were covered with grease, and their hands also showed signs of manual labor. It was the ideal moment for the photograph of the collective.

Life Within the PDJ

This brigade has an internal organization just as if it were in its homeland; for it has a head and an assistant head, who at the same time engage in ideological work. They meet monthly and discuss the most important political issues involving Cuba, the GDR and the world. They also discuss the problems occurring around them, both in the plant and in the province where they are living (Cienfuegos).

"Several Sundays ago we went where they were cutting cane to collect money and give it to the Territorial Militia," Frank said proudly. He is the collective's assistant head, but he is in charge of the young people right now because the head is in Berlin. Moreover, he told us that each young person is studying Cuban history on his own to learn much more about the first free country in America.

Since early 1981, the brigade has had an interpreter, Claudia Ruben, a young student of Latin-American Sciences at the Moscow Institute. A third-year student majoring in history there, she is obtaining career experience in Cuba. Her soft Spanish is heard twice a week, teaching her countrymen, who already know a "little"--as each one says when asked.

They Want to Name Themselves after Camilo Cienfuegos

This group, which like a hand of friendship crossed the ocean to contribute the best and purest of its efforts on our soil, will not continue to simply provide solidarist assistance but is fighting to earn the honored name of the Major Camilo Cienfuegos Gorriaran Brigade.

Why Camilo's Name?

They all want to express their thoughts about this, and the outcome is the following: Of our country's great heroes, Camilo was one of those from the most humble background; as Fidel aptly described him: "He is the image of the people."

The young Germans are developing a plan whereby each has an important individual and collective role to play that will help to earn the name. Furthermore, they are researching the Cuban fighter's life and activities.

On 7 March, the 35th anniversary of the FDJ will be celebrated, and the main ceremony in our country will take place right here in Cienfuegos Province. The friendship brigade will be there, the future German "Camilos," who have stepped in among our workers only to leave a deep footprint worthy of gratitude and affection.

9085

CSO: 3010/1030

PLANNING COUNCIL DRAFTS PLAN TO COMBAT INFLATION

San Pedro Sula LA PRENSA in Spanish 14 Mar 81 p 2

[Text] Tegucigalpa--LA PRENSA has succeeded in learning of some of the measures included in the so-called "Anti-Inflationary Plan" drafted by the Higher Economic Planning Council (CONSUPLANE).

This document, about which the government sector has maintained the greatest secrecy, has been under study for more than 6 months by the economic cabinet, with a view to subjection for the consideration and subsequent approval of the president of the republic, Gen Policarpo Paz Garcia.

"Moreover, as the document says, it is important to note that it was drafted by a commission on the technical level including representatives of the Ministry of Finance and Economy, the Central Bank and the CONSUPLANE, which coordinated the studies and drafting." A part of the document contains the following anti-inflationary measures:

Defense of the Balance of Payments and Restrictions on Vehicle Imports

Although an increase in the customs duty of 25, 40, 60 and up to 80 percent on vehicles, based on the number of cylinders, had originally been considered, this proposal was discarded because it exceeds the provisions of the customs law, which only allows an increase in customs duties of up to 50 percent.

Surtax on Imports

The technicians recommended raising all customs duties by 10 percent, which was finally discarded for lack of a legal base on which the executive branch could act without recourse to the National Constituent Assembly. The proposal is now divided into two parts:

1. The reestablishment of a customs duty, as lowered by Decree No 91 to the levels in effect throughout Central America, in accordance with Article 2 of that decree.
2. Raising the current joint foreign customs levels by 50 percent on all articles not produced domestically, in accordance with Article 89 of the customs law.

Prohibition of or restrictions on imports of luxury articles through the implementation of Resolution No 23.

Measures To Increase Exports

1. Establishment as soon as possible of financing lines based on foreign funds to promote exports of traditional and nontraditional products.
2. Establishment as soon as possible of the national foreign trade commission for which Decree No 146 provides.
3. Efforts to promulgate the export development law as soon as possible.
4. Review of the obstacles in the export procedures.

Strengthening Foreign Exchange

1. Renegotiation, as soon as possible, with a view to converting short-term to long-term loans, both by the government and by autonomous bodies and local governments.
2. Pending resolution of the foreign exchange problem, establishment of mechanisms to guarantee the repatriation of foreign exchange obtained from exports.
3. Steps by the Finance Ministry, the various central government units and autonomous institutions to make a negotiation and contracting of financing more flexible with a view to the immediate strengthening of the resources of the private sector.
4. Facilitating loans to the private sector.
5. Study of long-term negotiation of the foreign debt of the central government, autonomous institutions and local governments by the Secretariat of Finance and Public Credit.
6. The review and revision by the Ministry of Finance and the executory institutions of the programs financed by foreign funds and friendly governments as soon as possible, in order to limit or reduce the domestic resource counterpart.

Fiscal Policy Measures

Improvement of control measures in collecting tax income and the reduction of delays in and evasion of tax payment.

Another of the measures contained in the anti-inflationary plan calls for the Ministry of Finance, the Higher Economic Planning Council and the executory units to undertake a review of all the projects of the central government and the budgets of the autonomous bodies as soon as possible, with a view to reducing expenditure to a minimum and keeping the fiscal deficit at a level consistent with the monetary policy.

Type of Marketing Measures

The current list of products under the price control system must be maintained and an evaluation of the implementation of Decree No 91 should be pursued for a period of no less than 6 months.

The price of the basic grains for sale through the BANASUPRO will be established in accordance with the guaranteed prices established by the board of directors of the Honduran Agricultural Marketing Institute (IHMA), plus a reasonable margin for marketing expenditures.

The board of directors of the IHMA will establish the marketing margins within the next few days.

The BANASUPRO should be able to market the basic grains at the price established by the IHMA, and under national emergency situation, the IHMA manager, on the basis of authorization from his board of directors, can apply for the free import of basic grains.

The Ministry of Finance, on the recommendation of the Ministry of Economy, will authorize the BANASUPRO to effect the free import of powdered milk for repackaging in parcels of no more than five pounds and special (whole) milk for nursing mothers and infants.

The BANASUPRO will establish a program of mobile sale units in as short a time as possible, in particular to serve depressed (frontier) and neglected zones. Also what are known as boat stores will be established to serve the consumer markets on the islands of Bahia and Amapala.

The mobile units of the BANASUPRO, in addition to marketing popular consumption products, can purchase basic grain directly from the producers at the prices established by the IHMA.

The BANASUPRO may establish a system of concessions or establishments gradually, especially at the farm cooperatives and small businesses, for the distribution of popular consumption products at the authorized prices, for which a guarantee will be established.

The following will be included in the basic basket of manufactured products which the BANASUPRO will distribute: footgear in general, metal pots, lead pencils, notebooks, machetes and files, analgesics, antidiuretic and other pharmaceutical products which do not require a prescription.

1. The measures necessary to put 250 urban transportation units into use as soon as possible will be adopted.
2. The General Transportation Office and the General Traffic Office will regulate bus stops and establish fixed points for taxis at the points of greatest urban concentrations as soon as possible. The proposal for this regulation must be submitted to the economic cabinet within 45 days at the latest.
3. During the years 1981 and 1982, the entire public and decentralized sector, with the exception of those units financing the purchase with foreign funds, are prohibited from purchasing vehicles.
4. Customs exemptions and consumption of oil products authorized in accordance with the Law Governing Farm Development, industrial incentives, transportation, cooperatives and international and foreign service bodies will be reviewed.

An exception will be made for the ENEE (National Electric Power Enterprise), the National Railroad and the Armed Forces.

5. The ENEE must establish differential rates for the production sector using energy from 2400 hours to 0600 hours.

6. Those in charge of public offices must take the steps necessary to reduce energy consumption.

7. The ENEE must undertake a review of the contracts in effect with the industrial and agricultural enterprises by means of which special rates are arranged. Also public service institutions are prohibited from signing contracts including clauses calling for exemption from generally applicable provisions.

These are some of the measures contained in the anti-inflationary plan about which the executive secretary of the Higher Economic Planning Council, Efraim Reconco, has talked so much. This plan has been under study by the economic cabinet for a number of months with a view to submitting it for the consideration and approval of the president of the republic, Gen Policarpo Paz Garcia.

Moreover, it is reported that the Honduran Private Enterprise Council (COHEP) will announce its official position on this document. It is reported that it is challenging some provisions, especially those pertaining to the authority granted the BANASUPRO, which is regarded as the beginning of a small monopoly which might later make that body one which could replace the so-called grocers' shops, the economic turnover of which provides a livelihood for more than 250,000 Hondurans.

5157

CSO: 3010

PINU PRESIDENT DISCUSSES PARTY ISSUES, FUTURE ELECTIONS

San Pedro Sula LA PRENSA in Spanish 14 Mar 81 p 5

[Text] The new president of the departmental board of directors of the Innovation and Unity Party (PINU), Miguel Angel Pavon, has stated that his party believes that it is still possible in Honduras to achieve a solution to the various problems we have without recourse to violence.

He added that the PINU seeks such a solution, and change within the current social structures by peaceful means, and that "this attitude and other agreements we have maintained within the National Constituent Assembly through our representatives have awakened the interest and acceptance of the citizens, and for this reason we believe that we will win greater political support in the next elections than in the last contest."

He said that the party was pleased with having provided a representative such as Julin Mendez with an opportunity to bring the problems of the peasants to the attention of the constituent assembly. "After this experience, we continue to maintain that the various sectors should have their representation and thus set forth their concerns in direct fashion, which can to a great extent avoid the outbreak of violence in the country."

In discussing the real potential of the party in the next electoral event, Pavon said that "we are aware that we still fall far short of being able to aspire to winning the presidency, but we have justified hopes that we will have double our present representation in the congress which will be elected, and, as has been seen, without adopting demagogic attitudes, but rather a realistic approach to the situations we are experiencing."

In connection with its activity within the department of Cortes, the president of the board of directors of the PINU said that currently efforts are being made in all the municipalities and villages, "both to organize the party and to learn of the needs of the Honduran people--the party is doing this on the national level--and thus to set forth these needs on a higher level, so that solutions will be provided, for the central level cannot promulgate measures to be implemented without knowing what needs exist."

In conclusion Pavon recommended that when the time comes to cast their votes, the citizenry make better use of this right. "If an individual votes in accordance with his traditional sectarian beliefs, he is not helping by his vote to resolve the problems of the nation. He should think of the men for whom he is voting, in order thus to put in power people who will seek the proper solutions to all problems," he said.

AGRARIAN REFORM DIRECTOR OPTIMISTIC ABOUT PROGRESS

Tegucigalpa EL CRONISTA in Spanish 13 Mar 81 pp 1, 5

[Text] The executive director of the National Agrarian Institute (INA), engineer Edgardo Zuniga Rodezno, made the following comment in discussing the successes achieved in agrarian reform in Honduras: "There have been achievements, although it is said that they have cost us dear. However, I see them as I move from place to place unescorted, and the peasant leaders can talk with the National Federation of Honduran Farmers and Livestock Breeders."

Later on he commented that agrarian reform in our country has not come to a halt, since this is a process which, once launched, does not halt. Now it is a question of incorporating peasant women into the national productive process, and to this end work is being done in planned fashion with other institutions.

Currently work is being done with the small and average producers, and the proof of this is that the reactivation of the agreement reached between this agrarian body and the Honduran Coffee Producers Association (AHPROCAFE), which was signed in 1977, has been undertaken.

Currently, the director of the INA said, 410 documents obtained from coffee growers in the department of Yoro and 310 from Olancho are being analyzed, and the radius of action will be extended soon to the other coffee-growing sectors of the country.

Within the plan for action with small and average producers, attention is being devoted to 300 groups of independent plantain growers and 397 small and average tenant farmers growing plantain in the northern part of the country.

There is currently a guide for land allocation in full effect which allows the clear implementation of the procedures for which the agrarian reform law provides in articles 15, 33, 34 and 35 of the allocation regulations.

5157

CSO: 3010

BRIEFS

ILLEGAL HIRING PENALIZED--The Ministry of Labor is unaware of any mass influx of Salvadoran workers, but it has nonetheless announced harsh penalties for employers who hire them illegally. Minister of Labor Aristides Mejia Castro has stated that not many Salvadorans apply to the placement and employment departments at the ministry which are responsible for issuing permits to foreign workers. Before the peace treaty was signed with El Salvador, the Ministry of Labor was aware of an influx of citizens from that country to the black market in labor, Mejia Castro acknowledged. This official explained that there are two types of labor markets: the public market, which adheres to the provisions of the labor code, and the black market, where workers sell their labor at less than the legally established wage. This latter system proliferates at agroindustrial enterprises such as sugar mills, banana or coffee plantations, where they are not reported to the ministry. Aristides Mejia announced that harsh penalties will be applied to owners or employers who contract for foreign laborers without reporting them or without showing them on the payroll. The economic sanctions for which the code provides range from 50 to 5,000 lempiras, while foreign workers found in this illegal situation will be deported from the country. The minister admitted that the body he heads is incapable of controlling the black market, but campaigns are being coordinated with other state offices such as immigration and the Foreign Ministry to investigate almost all of the enterprises functioning in Honduras. [Text] [San Pedro Sula LA PRENSA in Spanish 14 Mar 81 p 48] 5157

CSO: 3010

BAYARDO ARCE'S SPEECH ON U.S. POLICY EXAMINED

Questions Asked

Managua LA PRENSA in Spanish 28 Mar 81 p 2

[Commentary by Rodrigo Solorzano B.]

[Text] Not too long ago, what I consider an excellent speech by Cmdr Bayardo Arce was broadcast on the Sandinist Television Network. It was excellent with respect to its organization of ideas and the clarity of the thoughts it expressed concerning the rightist policy of the United States. However, I have some questions to pose regarding certain things that were not said. I will present those questions briefly after summing up Cmdr Arce's message.

First of all, Arce gave a brief historical review of the American foreign policy with respect to Latin America, with particular emphasis on the Caribbean. He pointed out that the United States' actions in the past were aimed at controlling the economic and strategic resources of that region, without hesitating to use armed intervention (180 interventions in all, according to Arce's sources).

After that, Arce came to the present. The United States is arming the governments of Guatemala, El Salvador and especially Honduras. Counterinsurgency training programs are being expanded. Arce noted the existence of a rightist group that has strong influence on the Reagan Administration. The group includes members of institutes and think tanks such as the Georgetown Institute, whose philosophy is rigidly anti-communist.

These groups are attacking the human rights policy of the previous administration as something weak and ineffectual; they defend the use of intervention in other countries as a tactical tool; and they seek to reestablish policies that were discarded by other administrations, such as that of retaining absolute control over the Panama Canal.

There are right-wingers in the U.S. Government who see Central America as a prize being disputed by two great powers. They consider that the real rival of the United States is the Soviet Union, which is using friendly governments in the area (Cuba) to carry out its plans.

Advisers of the U.S. Government such as Digiovanni and Fontaine have drawn up and promoted the following strategy:

--Economic destabilization of leftist governments (read: Nicaragua).

--Rehabilitation of the image of former national guards in order to use them as a spearhead in an armed struggle against the Sandinist Government. It is acknowledged that this has not been achieved, and it is felt to be difficult to achieve.

--Use of food produced in the United States as a political weapon, refusing to sell to those who are considered enemies.

--Withdrawal of emphasis on the human rights policy of the former administration.

All this, far from being limited to academic studies, has an influence on the current administration and is reflected, to a great extent, in the platform of the Republican Party.

Reagan's party claims to seek peace supported by strength, and believes that weakness provokes aggression.

This, according to Arce, is the cause of American actions against the Nicaraguan Government. Although such actions are just coming to light now, they were already evident during the recent election campaign.

Cmdr Arce sees "the specter of fascism" in the current policy of the United States Government, and says he is "concerned" about the actions of some policy-making groups in that country.

These actions are certainly cause for concern, not only for the Sandinist Front Party, but for anyone who desires a civil and democratic solution to the crisis we are going through now in Nicaragua. The human rights policy, far from weakening the country that propounds it, is a source of moral strength; it would be unfortunate if the United States were to abandon it in favor of other policies. If the current administration of the United States wants to impose solutions in the region, based on the use of force rather than negotiations, it is a clear regression in the development of U.S. foreign policy, in the search for a more responsible manner of coexisting in the American and world community.

Military intervention has never solved any nation's problems; it merely postpones and aggravates the eventual solution. Let us look at the American intervention in Nicaragua, for example, and the more recent Soviet invasion of Afghanistan. What did the former solve? What is the latter trying to solve?

We must recognize that the attitude of certain rightist elements in U.S. politics is disturbing to all Nicaraguans who desire to avoid anachronistic and obsolete methods. But recognizing the existence of these elements, we must also realize that there are other groups in that society which are promoting a less tragic solution to the current state of affairs.

There are those in the United States who recognize the true value of the social demands being voiced by the peoples of America. There are those who respect the

right of a nation to seek democratic solutions by means of peaceful transformations of the structures of power. There are those, finally, who are anxious for a government to respect its citizens' human rights, not necessarily for it to proclaim allegiance to the United States. An "ally" that opposes the basic principles of a society can be of no help to that society; rather, it is a heavy burden.

I congratulate Cmdr Bayardo Arce for revealing evidence that there are rightist elements in the U.S. Government who are a threat to the peace and tranquility of Nicaraguans. But I suggest that the study is incomplete, because Arce's conclusions are not presented as clearly as his proof.

For that reason, I pose the following questions to Cmdr Arce, questions whose answers would help me better to understand the overall meaning of his message:

--Do our leaders acknowledge that there are institutions which limit the power of the U.S. Government to take action, if not its right to make statements? (All of Cmdr Arce's evidence came from American sources, including newspapers such as THE WASHINGTON POST and NEWSWEEK magazine. That emphasizes the importance of having a free press. If that country had laws such as our Decrees 511 and 512, there could be no reports of helicopter and plane sales to Honduras.)

--Do the Americans have any reason to believe that the Soviets seek a confrontation in the area?

--Is the American belligerence toward the Sandinist government due to the fact that they see our government's actions as an extension of the Soviet policy of world confrontation?

--Is the Sandinist National Liberation Front trying to correct that erroneous assumption by certain groups in the United States?

--Are our leaders trying to exploit the fact that in the United States there are groups and movements that support our people's desire for justice?

--Is our government trying to enlist the aid of those groups in the United States and the rest of Latin America, so they will respect our right to self-determination?

Can the Sandinist Front convince all these groups that the Sandinist government is promoting domestic peace and harmony through its faithful observance of established laws, laws which protect civil rights?

In my opinion, if the answers to these questions are affirmative, particularly the last one, it is not inevitable that we must "die defending our homeland." We can aspire to live in peace with our neighbors to the north, a peace based on a mutual respect for the historical characteristics that define our peoples, and for the right to seek solutions that are compatible with the peculiarities of each society.

People's Indignation Aroused

Managua EL NUEVO DIARIO in Spanish 27 Mar 81 p 2

[Commentary by Felix Navarrete]

[Text] We are ready for them. Let them come. Our people have not rested on their laurels, and every day that passes we have a greater revolutionary consciousness, a greater class consciousness. That is the message of a talk given a few days ago by Revolutionary Commander Bayardo Arce Castano at the Neysy Rios Auditorium of the Central American University. At that lecture, Cmdr Arce presented evidence and statistics to prove the manipulative actions of the Reagan Administration in training mercenaries to invade our country and try to assassinate our heroic people. That is what the American government is doing. And what is more astounding is the idea of Nicaraguans fighting against the people of Nicaragua.

The accusation (that is what Cmdr Arce's speech amounted to) has unleashed a wave of indignation among our people. That is to be expected. How is it possible for a country to dare to intervene in the internal affairs, the domestic problems, of another country? What right does it have? But of course, there are those who say: "Now the Yankees are coming to put things in order;" "everything will be the way it used to be." It is those people whom we should really watch out for. These elements are the real counterrevolutionaries. They are not counterrevolutionary simply by taking up arms to combat our revolution. No. They are counterrevolutionary in trying, moreover, to discredit our revolutionary process, starting false rumors, delaying production, failing to contribute to the mass organizations, refusing to support the tasks demanded of us by the revolution in order to make our process a greater success.

It is counterrevolutionary to oppose the plans and projects of the revolution, presenting false arguments, coming out against the popular Sandinist militias and trying to distort everything the leaders of the Sandinist Peoples Revolution maintain to be true. That is how they are counterrevolutionary.

The elements who are behaving this way make up the infrastructure of the counter-revolution; they are manipulated by classist, exploitative and reactionary interests. Cmdr Arce also mentioned the elements who are receiving military training in the United States. I suppose there are also elements who are engaging in "ideological" work in the United States as well as other parts of the Americas, against Nicaragua. I assume they are spreading propaganda, slandering us, starting false rumors and reporting non-existent circumstances. Cmdr Arce mentioned the places where these elements are being trained. But more important, in my opinion, are the counterrevolutionary elements who are in our midst. That is what matters most. It is important to point out everything that I said earlier. The ones who are promoting strikes and rebellions against revolutionary decrees (which, incidentally, favor the working classes), are counterrevolutionaries. They are the ones who want to see our people subjected once more to exploitation and poverty. They are the ones who rub elbows with us on buses, in taxis, in marketplaces, in theaters, in any public place; and who express their hatred, resentment and rancor for our revolution. They are the counterrevolutionaries.

As for the others, the ones who are in training to learn how to die, the ones in the United States, we are not worried about them. We are ready for them; and we are trained to conquer them on all levels. That is all about that speech.

Managua, March 1981.

FSLN'S CONDONING OF AGGRESSION AGAINST MDN SCORED

Managua LA PRENSA in Spanish 12 Mar 81 p 2

[Editorial]

[Text] The MDN [Nicaraguan Democratic Movement] was given permission to hold its meeting in Nandaime. This was a positive action--even though the permission was surrounded with red tape and restrictions--which could help to reestablish pluralism. But elsewhere, however, on another occasion another crowd, directed and inspired by who knows whom, attacked and wrecked the building of the MDN party in Managua.

There have already been many occasions on which a positive action by the government has immediately been followed by some other negative action, not necessarily coming from the government itself, but from its sympathizers or zealots. At times it would appear, as the popular saying goes, that what the right hand builds up, the left hand destroys, or vice versa.

This new action against the MDN offices, in itself a despicable deed, could have been passed off as violence perpetrated by irresponsible individuals. Nonetheless, the approval that this deed was given yesterday by BARRICADA, the official organ of the FSLN [Sandinist National Liberation Front], places this action in a completely different light. In fact, on its front page, under the headline of "Popular Rejection at the MDN Headquarters," this newspaper published a photo caption saying that Robelo and his people in the MDN, because of their boasting and bragging to the masses, had earned the strong rejection of the people, and that a compact group of demonstrators had shown this yesterday.

When the MDN's headquarters was attacked for the first time last November, the voice of Revolutionary Commander Tomas Borge was heard condemning this action. What we hear today from BARRICADA is quite different. This action, in itself a criminal offense, is being fully excused, other persons are being blamed, and the deed itself is

raised to the category of a just popular repudiation--thus paving the way for such things to keep on happening, and so that with each new occurrence, the most fanatic groups will believe themselves entitled to perpetrate their own violence.

The repeated attitude of the official voice of the FSLN--by always applauding this sort of action--contradicts the comments of the revolutionary leaders, and even disagrees with the restrained language that had been coming from the highest government levels, encouraging hopes of peace and harmony.

But the saddest part of this case is the remains of discord and hatred that this type of deed leaves in its wake: the way in which it revives specters from a past we thought had been buried forever, and the dark shadows that unnecessarily cloud the future of our nation.

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CSO: 3010

HAIG'S STATEMENTS ON REGION CONDEMNED AS 'LIES'

Managua EL NUEVO DIARIO in Spanish 20 Mar 81 p 2

[Commentary by Francisco Bravo Lacayo: "Haig's Lies"]

[Text] Whether we like it or not, it is impossible not to make comparisons between the present situation in El Salvador and the situation in Vietnam during the 1960s. The scenarios seem to have been written on carbon paper. The interference began with the sending of the famous observers, who were like a spearhead for the criminal escalation that came to involve up to a half million soldiers with thousands of tanks, aircraft, and all sorts of heavy arms, including the most sophisticated weapons from the U.S. arsenal.

But if there was still something missing, Secretary of State Alexander Haig completed the format at the meeting he held with the Foreign Relations Committee, during which he dragged out the old domino theory created by Kissinger for Indochina. If one domino falls, the others will fall, and therefore, every effort must be made to prevent such a thing from happening. Mr Haig regretted that he had arrived on the scene late, since the first domino--in this case Nicaragua--has already fallen and what now remains to be done is to keep the others on the board.

This smokescreen used to cover up this intervention against our Salvadoran brothers is no surprise to anyone, as it is old and discredited. Such tales as "Russian intervention," the "Soviet attack," "red terrorism," and other similar claims show only the poverty of the ideological arsenal of the warmongers and their complete inability to advance reasonable and valid arguments that might justify their aggressive and criminal actions against humanity.

Can anyone who is not blind or a flunky of imperialism deny that what is happening in Central America is the sublime uprising of peoples against the domination of U.S. capital, a domination that had gone on for over a century? Who can deny that our peoples are rising up, and rightfully so, to throw off the yoke of exploitation

and semi-feudal servitude in which they have been held by the heirs of the Spanish colonial system? Who can deny that the ruling classes of these countries have been and still are hand in glove with foreign interests?

Our Central American peoples are rising up, fighting, and dying for the defense of their cultural and economic patrimony, which has been despoiled by the evil hegemonic influence of the multinationals. In the short period of time that has elapsed since the triumph of 19 July we have seen the beauty and strength of the spirit and tradition of the Nicaraguan people, and we have seen how new economic structures are being created, structures designed to meet our new needs.

Neither the lies told by Haig (who should be tried as a war criminal for his actions in Korea and Vietnam), nor the fabrications of the CIA, no matter how sophisticated they may be, can cover up this new genocide directed against the Salvadorans. The reason why they are berating Nicaragua is simply that we have the great honor of having been the first in Central America to have raised the undefiled flag of national liberation, and we have served as an example and inspiration for our fraternal peoples in Central America.

The discredit of imperialism has reached its own house. The North American people, the heirs of great democratic traditions forged in their struggle against English colonialism and against their own enemies within, are already preparing to stop the interventionist hand of the true enemies of humanity. The just struggles fought by the people of the United States in their great campaign against Nixon and Company will once again be renewed, this time against Reagan, who is reaching high levels of unpopularity in record time.

World solidarity will halt the genocide in El Salvador. We have not the slightest doubt of this.

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AGRICULTURE MINISTER WHELOCK CONCERNED OVER COTTON HARVEST

Managua BARRICADA in Spanish 12 Mar 81 pp 1, 5

[Text] Revolutionary Commander Jaime Wheelock, the minister of agricultural development and agrarian reform, has expressed his concern about the rate at which the cotton harvest is proceeding, even though 70 percent of the harvest has been completed (230,000 bales).

"We don't mean to say that the situation is alarming," he said, "but we are concerned about not reaching the figure of 300,000 bales with the level of quality we have. We aren't going to do too badly, but if we don't pay some attention to this problem soon enough, we are going to lose."

Commander Wheelock yesterday discussed the cotton harvest, covering various aspects of the production of this important crop.

He commented that if the revolution finds no solution to the problem of labor and new methods of the mechanization of harvesting, the possibility of increasing the land area planted in cotton will be limited.

On the subject of the present harvest, he said that the ministry of agricultural development and agrarian reform will be meeting with the Nicaraguan Trade Union Confederation and with other mass organizations in order to seek an immediate solution for the shortage of labor available for this harvest.

The possibility of expanding the area planted in cotton next year will be studied, since cotton is holding attractive prices, even though it recently suffered a not very significant decline. He also reported that there is a certain depression in the fabric market, which could affect Nicaraguan cotton producers, and he said that steps are being taken to place Nicaraguan cotton in nontraditional markets.

"As of 8 March the cotton harvest showed a production of 230,000 bales for export, which is 70 percent of the goal we had set," Revolutionary Commander Jaime Wheelock, the minister of agricultural development and agrarian reform, said yesterday in a press conference.

Commander Wheelock said that as far as the total raw cotton harvest is concerned, they hope to get a little over 5 million quintals (100-lb weight) which, measured in bales, is between 325,000 to 328,000 bales, based on the goals projected by the MIDINRA [Ministry of Agricultural Development and Agrarian Reform].

Commander Wheelock added that the yield at the beginning of the harvest was fairly high, but as the harvest advanced, the yield began to decline. "Nonetheless, we now feel that the yield is good," he said.

He said that in seed hundredweights, there was a production of 1,623,515 with a yield of 52.98 percent, and in reduced quintals (smaller measures or received in poor condition), 347,014 quintals, with a yield of 11.32 percent.

Commander Wheelock explained that the harvest is unequal in the various areas which produce cotton. In Chinandega, for example, the harvest is much more advanced than in Leon. And the most advanced department in the cotton harvest is Managua, which has a 108-percent record of completion of its harvest goals. Furthermore, Managua is receiving cotton from Masaya.

He said that these percentages are related to the production volume, citing as an example that the area of Leon is the largest, and that of Managua, the smallest of the areas cultivated.

Commander Wheelock said that it is estimated that to date the harvest is 20 percent behind the goals set, "and we are now entering a phase of declining cutting without meeting the plan that was set earlier."

"We need to combine our human and technical resources in order to concentrate them in areas where they are most needed for the harvest, in areas such as Leon," he said.

He reported that in accordance with the schedule for the 1980-1981 harvest, by 31 March it was hoped to have completed 96 percent, and by 30 April, 100 percent. Nonetheless, with the slowdown in the rate of harvesting, everything seems to suggest that by 31 March the goal of 96 percent will not have been met. The second and third weeks of April will be used to complete the harvest.

WHEELOCK ON IMPORTANCE OF PRODUCING BASIC FOODSTUFFS

Managua EL NUEVO DIARIO in Spanish 19 Mar 81 p 6B

[Text] Nicaragua must significantly increase its production of basic foodstuffs in order to guarantee a steady supply to our population during this period of the popular Sandinist revolution.

This was stated by the minister of MIDINRA [Ministry of Agricultural Development and Agrarian Reform], Commander Jaime Wheelock Roman, during the First Assembly of Directors of Agrarian Reform Enterprises, which was held all day yesterday at the "La Mascota" auditorium.

Commander Wheelock said that we are going through a process which "has its opponents, its enemies, who are putting pressure on us and who might eventually even manage to provoke us to an armed conflict or to a conflict of an economic nature."

He emphasized that in this country, "anything may happen, but because of the revolution, we have the possibility of being able to supply the people with the basic foodstuffs--rice, beans, and corn. We Nicaraguans are ready to resist any type of pressures, any type of economic pressures."

He pointed out that in order to guarantee this supply in periods of emergency, we will need to be able to reproduce these foods.

Given this situation, he urged that significant efforts be made in the production of rice, corn, and beans.

He remarked that the price of beans in the world market this year was higher, and some experts have suggested that in terms of the overall economy, it is possible that Nicaragua may be spending more by producing cotton and exporting it to buy beans than it would have to spend if it planted a little less cotton and planted the additional area in more basic foodstuffs.

He indicated that the workers' drive to increase production should be interpreted as their concrete response to an emergency situation which has national security ramifications and aspects related to our defense of the revolution.

Addressing himself specifically to the directors of state enterprises, he said that the development of these units of production was of strategic significance, and will profoundly affect our national economy, which is fundamentally agricultural.

He continued that "at present, our country has a dual destiny in terms of production. On one hand it is an economy heavily in debt and in a state of ruin, an economy badly underfinanced during the period of Somocism. For its rehabilitation it will require huge efforts in the economic area."

He further remarked that the revolution itself in large part bases its security on the possibility of success in economic areas.

"To reconstruct our nation, we need the capability to produce currency. We need to be able to export enough to pay off the huge debts that we have inherited and to be able to purchase items which we do not produce."

After saying that the agricultural exporting economy is being maintained, he said it must be improved and streamlined.

Consumer Pressures

Commander Wheelock said that the purchasing power of the people in both rural and urban areas has been increased considerably because of an economic policy that has improved income distribution. This in turn has helped to stimulate great pressures on consumer goods.

He commented that it is possible that in the mid-term period there may be a sustained development in agriculture, since Nicaragua has a solid foundation in its experience, human resources, natural resources, and conditions. To these assets we can add the assistance received from friendly nations.

Because of Nicaragua's limited financial resources, he announced that it will be necessary to have a highly selective policy for the distribution of these resources; he urged that waste and other unnecessary production costs be eliminated.

In a direct reference to the enterprises which are the property of the people, he said that they must improve their planning capability within each enterprise or unit of production. They must not establish subjective investment criteria.

He remarked that there is a need to improve business management methods. "We must have a well structured organization that is sufficiently organized and can respond to each of the problems arising in an enterprise.

"Management must not view itself just as traditional business management. In this case management is the conjunction of the different interests existing within the enterprise."

He pointed out that management should be centralized with a single leadership, but that this leadership should be representative.

"This representation can be channeled through a constant awareness of and closeness to the problems in the field.

"This means going out into the field, learning the problems there and how to solve them; in this way a director can earn the confidence of the workers, who will see part of their own destiny at stake in the enterprise."

He emphasized that a state enterprise should not consider itself as belonging to itself, an enterprise "in which we can do whatever we want. We must know how to interpret, organize, and encourage the various administrative, technical, and labor areas that now exist."

He urged that the workers' concerns be listened to and that participatory councils be organized with delegates representing the workers. "That does not mean that the administrator should become a slave of the workers, but this system should be a tool for consultation, for communication with the various sectors that make up a unit of production or an enterprise."

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DUTCH JURIST VIEWS SURINAME LEGAL SYSTEM, POLITICS

Rotterdam HET VRIJE VOLK in Dutch 28 Mar 81 p 5

[Report on interview with former Head of Legislation in Surinam R.H. Hartog: "I Don't Feel at Home in Suriname."]

[Text] Amsterdam--"I felt like a Dutch mayor during the occupation. If I stay, I thought, perhaps I can check some things and prevent a wrong guy from taking my place. But on the other hand I was collaborating with the regime."

Dutch Jurist R.H. Hartog, "lent" to Suriname last year to give shape to its legislation, is back in our country. Conscientious objections compelled him to tender his resignation to the Suriname Government.

Already in December 1979, according to Mr Hartog, four Dutch jurists had been recruited by Dutch Minister of Development Aid De Koning to aid the young state. But even before they left, the coup d'etat of the sergeants took place in Paramaribo, on 25 February 1980. Two of them found that a reason to disregard the contract. The other two, Mr Hartog and Mr A. Haagsma, went in spite of that and have recently returned.

"After the coup d'etat we were told that the Suriname constitution would be preserved and that President Ferrier would keep his post," according to Mr Hartog. "I found that a reason to keep my promise and leave for Suriname." On 13 August, however, the so-called "coup" of the socialist sergeant Sital and his associates took place, who were afterward convicted by the Surinam military court. Commander-in-Chief Bouterse saw this as a reason to suspend the constitution and dismiss President Ferrier.

"With this, our arguments to still go to Suriname had lost their validity. When I arrived in Suriname, Mr R. Reeder was the Minister of Justice. I got on well with him. Later he was succeeded by Mr A. Haakmat, a taciturn, surly man, full of resentment toward the Netherlands. Thus Dutch diplomatic circles in Paramaribo were not exactly happy with this Haakmat, who meanwhile has been pushed aside. 'Politically, only what the military want is attainable' was his standpoint. He governed by decree.

"When I announced I wanted to resign my post, I was requested by the Dutch side to attribute this officially and openly to Haakmat's behavior. After his departure that was no longer necessary, of course."

Mr Hartog is of the opinion that justice in Suriname is not actually terribly corrupt, but that it is not taken seriously. He finds it incomprehensible that a simple man such as Sergeant Horb became "fiscal auditor" of the Special Court which has to deal with matters of corruption. The president of this court is Professor Waaldijk who certainly cannot be considered to be an independent judge.

When suspects let themselves be assisted by lawyers in this court, they are threatened by the military.

It was a public secret in Suriname that the star witness in the Sital case, which came before the military court, committed perjury. In all reasonableness, it could be expected that he would be acquitted in higher appeal. But if this had happened, everyone in Suriname would have wondered why, on the fatal date of 13 August, the constitution had been eliminated and the president had been dismissed. Indeed, the cause for this was to be found in Sital's so-called "coup." If Sital had been convicted in a higher court also, however, then his following in Paramaribo would have come into action. "Sital Must Be Freed" was written in the streets.

"An elegant solution has been found in the spirit of Suriname" said Mr Hartog. "Although they had been convicted to prison terms of many years, Sital and his associates were simply set free without any form of process. But everyone understands that the verdict of the military court and thus the entire Suriname justice have thereby been made a farce.

"I still consider myself to be a serious jurist and in Suriname I filled the post of Head of Legislation. I could no longer put up with the course of events. Therefore I tendered my resignation, which was accepted immediately. The same was true for my colleague Haagsma. I am certain that we will not be succeeded by any other Dutch jurists.

"I had been recruited for a period of 3 years. I had resigned my job in the Netherlands for it and had sold my house. But ultimately my conscientious objections were too great."

Mr Hartog regularly receives letters from Suriname jurists who, just like he, have a troubled conscience because of the development in Suriname. They are afraid and want to come to the Netherlands.

"But Suriname actually needs those people," said Mr Hartog. "The country still is not a police state such as Uruguay or Argentina. But the first steps in this direction have indeed been made on this slippery slope.

"It is also incorrect to see Suriname -- as one often hears in the Netherlands -- as a sort of Apeldoorn in the tropics. It is indeed an independent state which, pinned between the atrocious dictatorship of British Guiana and the still entirely colonial-governed French Guiana, must pursue its own foreign policy. Let's not

forget either that the country is five times as large as the Netherlands with respect to area."

According to Mr Hartog there is a power vacuum in Suriname at this time. New attempts toward a coup therefore may be expected. Bouterse, the apparently all-powerful commandant, was hissed from the football stadium. Prime Minister Chin a Sen is supported by the Netherlands, but otherwise has not much say. Legislation is made by a stroke of the pen.

"Matters which fall purely under civil rights, are settled by decree," according to Mr Hartog. "On one occasion an insurance company refused to make good on automobile damage on the basis of the existence of the state of emergency. Then Haakmat ordered me to design a decree in which the company was forced to make the payment. When I objected, Haakmat said: 'I don't know if the military will accept that.'

"I took to my heels due to things which happen anyway," said Mr Hartog. "I served as a legitimation for the government. Ultimately I no longer felt at home in Suriname as a Dutch jurist."

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